DISTRIBUTION AGREEMENT

1. 1. Parties

This Distribution Agreement (the "Agreement") is made effective as of [EFFECTIVE DATE] between [SUPPLIER NAME], a [ENTITY TYPE] with its principal place of business at [SUPPLIER ADDRESS] (the "Supplier"), and [DISTRIBUTOR NAME], a [ENTITY TYPE] with its principal place of business at [DISTRIBUTOR ADDRESS] (the "Distributor"). Each party represents that it is duly organized and in good standing and that the person signing below has authority to bind it. Notices under this Agreement must be in writing and are effective when delivered by hand, by nationally recognized courier, or by email with confirmation of receipt to [SUPPLIER NOTICE CONTACT AND EMAIL] and [DISTRIBUTOR NOTICE CONTACT AND EMAIL], or to any updated address a party gives by written notice.

2. 2. Appointment, Territory, and Exclusivity

The Supplier appoints the Distributor as its [SELECT ONE: exclusive / sole / non-exclusive] distributor of the Products in the following territory: [TERRITORY, e.g., the states of ... / the country of ...] and through the following channels: [CHANNELS, e.g., independent retail, e-commerce marketplaces, wholesale] (together the "Territory"). The Distributor accepts the appointment and will purchase Products from the Supplier for resale in its own name and on its own account. If the appointment is exclusive, the Supplier will not appoint another distributor for the Products in the Territory and will refer inquiries from the Territory to the Distributor, subject to the reserved rights in this Section. The Supplier reserves the right to sell Products directly to [RESERVED ACCOUNTS, e.g., national accounts listed in Exhibit B, government purchasers, and its own online store] without owing compensation to the Distributor. The Distributor will not actively solicit customers outside the Territory and will refer such inquiries to the Supplier.

3. 3. Products

The products covered by this Agreement are listed in Exhibit A, together with the specifications and packaging applicable to each (the "Products"). The Supplier may add Products to Exhibit A by written notice, and may discontinue or modify a Product on [DISCONTINUATION NOTICE, e.g., 90 days] written notice, except where a change is required for safety or regulatory compliance, in which case the Supplier will give as much notice as circumstances allow. The Distributor will sell the Products only in the packaging and configuration supplied and will not alter, repackage, relabel, or combine the Products with other goods without prior written consent. The Distributor will not manufacture, distribute, or promote any product that directly competes with the Products in the Territory during the Term without the prior written consent of the Supplier.

4. 4. Minimum Purchase and Performance Quotas

To maintain the appointment described in Section 2, the Distributor will purchase Products with an aggregate net invoice value of at least [MINIMUM PURCHASE COMMITMENT] in each [QUOTA PERIOD, e.g., calendar year], allocated across quarters as set out in Exhibit C. The Distributor will also meet the following performance obligations: maintaining an inventory of at least [MINIMUM INVENTORY LEVEL], employing at least [SALES HEADCOUNT] trained sales personnel, and spending at least [MARKETING SPEND] on approved marketing in the Territory. If the Distributor fails to meet the minimum purchase commitment in any Quota Period, the Supplier may, as its sole remedies for that failure and on [QUOTA REMEDY NOTICE, e.g., 30 days] written notice, convert the appointment from exclusive to non-exclusive, reduce the Territory, or terminate this Agreement. Quotas will be equitably adjusted if the Supplier is unable to supply ordered Products for reasons within its control.

5. 5. Forecasts, Orders, and Acceptance

The Distributor will provide the Supplier with a rolling [FORECAST HORIZON, e.g., six month] non-binding forecast of expected purchases, updated [FORECAST FREQUENCY, e.g., monthly]. All purchases are made by written purchase order specifying Products, quantities, requested delivery dates, and destination. A purchase order becomes binding only when accepted by the Supplier in writing or when the Supplier ships against it, and the Supplier will accept or reject each order within [ORDER RESPONSE TIME, e.g., five business days]. The Supplier will use commercially reasonable efforts to fill accepted orders within [STANDARD LEAD TIME] of acceptance. Minimum order quantity is [MINIMUM ORDER QUANTITY]. The terms of this Agreement govern over any conflicting or additional terms in a purchase order, order acknowledgment, invoice, or other business form of either party, regardless of when issued or whether objected to.

6. 6. Prices, Payment, and Resale Pricing

The Distributor will pay the prices set out in the price list attached as Exhibit D, less any volume discount earned under that exhibit. The Supplier may change prices on [PRICE CHANGE NOTICE, e.g., 60 days] written notice, and the previous price will apply to orders accepted before the effective date of the change and scheduled for delivery within [PRICE PROTECTION WINDOW, e.g., 60 days] afterward. Prices are exclusive of taxes, duties, and shipping, which are the responsibility of the Distributor unless stated otherwise. Payment terms are [PAYMENT TERM, e.g., net 30 days] from the invoice date, and overdue amounts accrue interest at [LATE INTEREST RATE] per month or the maximum permitted by law, whichever is less. The Supplier may reduce or suspend credit and require prepayment or a letter of credit if the Distributor is past due beyond [CREDIT SUSPENSION TRIGGER]. The Distributor is free to determine the resale prices it charges its own customers, and any price the Supplier publishes as suggested resale pricing is a recommendation only and is not binding on the Distributor.

7. 7. Delivery, Title, and Risk of Loss

Products will be delivered [DELIVERY TERM, e.g., FOB the shipping point of the Supplier at [SHIPPING POINT] / delivered duty paid to the warehouse of the Distributor], and title and risk of loss pass to the Distributor at the point specified. The Supplier will select the carrier unless the Distributor specifies one in the purchase order. Delivery dates are estimates, and the Supplier is not liable for delay except as expressly provided in this Agreement. The Distributor will inspect each shipment within [INSPECTION PERIOD, e.g., 10 business days] of receipt and will notify the Supplier in writing of any shortage, visible damage, or nonconformity within that period. Products not rejected within the inspection period are deemed accepted, except for defects that could not reasonably have been discovered on inspection, which remain subject to the warranty in Section 9. Rejected Products will be returned at the expense of the Supplier and replaced or credited at the election of the Supplier.

8. 8. Marketing, Trademarks, and Brand Use

The Supplier grants the Distributor a non-exclusive, non-transferable, royalty-free license to use the trademarks, trade names, and logos listed in Exhibit E (the "Marks") solely to advertise, promote, and resell the Products in the Territory during the Term. All goodwill arising from use of the Marks belongs to the Supplier. The Distributor will use the Marks only in the form and manner approved by the Supplier, will not alter or combine them with other marks, and will submit marketing materials, website content, and packaging using the Marks for written approval before first use, with approval deemed given if the Supplier does not object within [MARKETING APPROVAL PERIOD, e.g., 10 business days]. The Distributor will not register or attempt to register the Marks, any confusingly similar mark, or any domain name or social account containing them, and will assign to the Supplier any such registration obtained. The Supplier will provide [MARKETING SUPPORT, e.g., product images, sales collateral, and a co-op marketing allowance of [ALLOWANCE]] as described in Exhibit E.

9. 9. Product Warranties, Returns, and Recalls

The Supplier warrants to the Distributor that the Products will conform to the specifications in Exhibit A and will be free from defects in materials and workmanship for [WARRANTY PERIOD, e.g., 12 months] from the date of delivery. The sole remedy for a breach of this warranty is, at the election of the Supplier, repair, replacement, or credit of the purchase price of the nonconforming Product. This warranty does not cover damage from misuse, improper storage or handling, unauthorized modification, or use contrary to the instructions supplied. The Distributor may pass through the warranty of the Supplier to its customers but will not make any additional or different warranty on behalf of the Supplier, and the Distributor is solely responsible for any commitment it makes beyond this warranty. If the Supplier determines that a recall, withdrawal, or field corrective action is necessary, the Distributor will cooperate fully, provide customer and lot traceability records within [RECALL RECORDS PERIOD, e.g., three business days], and follow the instructions of the Supplier; the Supplier will bear the reasonable direct costs of a recall caused by a defect in the Products as manufactured.

10. 10. Distributor Obligations, Confidentiality, and Records

The Distributor will use commercially reasonable efforts to promote and sell the Products throughout the Territory, will maintain adequate facilities, trained personnel, and after-sale support, and will comply with all laws applicable to its business, including import, export, sanctions, anti-corruption, product safety, and advertising laws. The Distributor will not make any false, misleading, or unauthorized claim about the Products. Each party may receive non-public information from the other, including pricing, forecasts, customer lists, and technical data (the "Confidential Information"), and will use it only to perform this Agreement, protect it with at least reasonable care, and disclose it only to personnel and advisors bound by comparable obligations; these duties continue for [CONFIDENTIALITY PERIOD, e.g., three years] after termination and do not apply to information that is public, independently developed, or required to be disclosed by law after reasonable notice. The Distributor will maintain accurate records of Product purchases, sales, inventory, and customers for [RECORD RETENTION PERIOD, e.g., three years], will report sales and inventory to the Supplier [REPORTING FREQUENCY, e.g., monthly], and will permit the Supplier to audit those records on [AUDIT NOTICE, e.g., 15 business days] notice not more than [AUDIT FREQUENCY, e.g., once per year].

11. 11. Relationship of the Parties and Limitation of Liability

The Distributor is an independent contractor purchasing and reselling Products on its own account. Nothing in this Agreement creates a partnership, joint venture, franchise, agency, or employment relationship, and the Distributor has no authority to make any representation, incur any obligation, or enter into any contract in the name of or on behalf of the Supplier. Each party is responsible for its own personnel, taxes, and expenses. Neither party will be liable to the other for indirect, incidental, consequential, special, or punitive damages, or for lost profits, revenue, goodwill, or anticipated savings, even if advised that such damages are possible, and neither party will have any claim for compensation, indemnity, or damages based on lost investment, goodwill, or unamortized expenses arising from the expiration or permitted termination of this Agreement. Except for breach of confidentiality, infringement of the Marks, indemnification obligations, and amounts owed for Products delivered, the total liability of each party will not exceed [LIABILITY CAP, e.g., the aggregate amounts paid by the Distributor to the Supplier in the 12 months before the event giving rise to the claim]. Each party will defend and indemnify the other against third-party claims arising from its own breach, negligence, or willful misconduct, and the Supplier will additionally indemnify the Distributor against claims that a Product as supplied infringes third-party intellectual property rights or is defective as manufactured.

12. 12. Term, Renewal, and Termination

This Agreement begins on the Effective Date and continues for an initial term of [INITIAL TERM, e.g., two years], after which it renews automatically for successive [RENEWAL TERM, e.g., one year] periods unless either party gives written notice of non-renewal at least [NON-RENEWAL NOTICE, e.g., 90 days] before the end of the then-current term. Either party may terminate for convenience on [TERMINATION FOR CONVENIENCE NOTICE, e.g., 180 days] written notice. Either party may terminate immediately on written notice if the other materially breaches and fails to cure within [CURE PERIOD, e.g., 30 days] after notice, becomes insolvent, makes an assignment for the benefit of creditors, or has a receiver appointed. The Supplier may additionally terminate immediately if the Distributor undergoes a change of control to a competitor of the Supplier, breaches the trademark provisions, or violates anti-corruption or export laws. Termination does not affect accrued rights or amounts due for Products already delivered.

13. 13. Post-Termination Sell-Off and Inventory Repurchase

On expiration or termination, the Distributor will immediately stop holding itself out as a distributor of the Supplier, will cease all use of the Marks except as this Section allows, and will return or destroy Confidential Information and marketing materials on request. The Distributor may continue to sell Products remaining in its inventory in the ordinary course for [SELL-OFF PERIOD, e.g., 120 days] after termination, subject to the pricing, trademark, and reporting provisions of this Agreement, unless the termination was for a breach by the Distributor or a product safety concern, in which case no sell-off right applies. At the end of the sell-off period, or immediately where no sell-off right applies, the Supplier [SELECT ONE: will repurchase / may at its option repurchase] all unsold Products that are in current, resalable, unopened condition at [REPURCHASE PRICE, e.g., the price paid by the Distributor less a restocking charge of [PERCENTAGE] and less freight], with the Supplier bearing return shipping. The Distributor will deliver to the Supplier within [CUSTOMER LIST DELIVERY PERIOD, e.g., 15 days] a list of Territory customers, open quotations, pending orders, and outstanding warranty matters, and will cooperate in an orderly transition.

14. 14. Governing Law and General Provisions

This Agreement is governed by the laws of the State of [GOVERNING STATE], without regard to conflict of laws rules, and the United Nations Convention on Contracts for the International Sale of Goods does not apply. The parties will attempt to resolve any dispute through senior management negotiation for [NEGOTIATION PERIOD, e.g., 30 days] and then mediation in [MEDIATION LOCATION], after which any unresolved dispute will be brought exclusively in the courts located in [VENUE COUNTY AND STATE]. This Agreement, with its exhibits, is the entire agreement between the parties regarding distribution of the Products and supersedes all prior proposals and understandings. Amendments must be in writing and signed by both parties. Neither party may assign this Agreement without prior written consent, except to a successor of substantially all of its business, and any attempted assignment in violation of this provision is void. Neither party is liable for delay or failure to perform caused by events beyond its reasonable control. If any provision is unenforceable, the remainder stays in effect and that provision will be narrowed only as far as necessary.

15. 15. Signatures

By signing below, each party acknowledges having read this Agreement, understanding it, and agreeing to be bound by it as of the Effective Date. SUPPLIER: [SUPPLIER NAME]. By: ______________________. Printed Name: [SIGNER NAME]. Title: [TITLE]. Date: [DATE]. DISTRIBUTOR: [DISTRIBUTOR NAME]. By: ______________________. Printed Name: [SIGNER NAME]. Title: [TITLE]. Date: [DATE]. This Agreement may be executed in counterparts, and electronic signatures have the same effect as original signatures on a single document.

16. Disclaimer

This template is provided for general informational purposes only and is not legal advice. Distribution relationships can be affected by state dealer and franchise protection statutes, competition and resale pricing law, product liability and safety regulation, and, for cross-border arrangements, local laws that grant terminated distributors compensation regardless of what the contract says. Review and adapt this document for your own facts, and consult a licensed attorney before relying on it. Use of this template does not create an attorney-client relationship with ScanContract.