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**NON-EXCLUSIVE
DISTRIBUTORSHIP AGREEMENT**

DATED THE _____ DAY OF _____ 20____

BETWEEN

ABC Company Limited (the “Supplier”)

AND

Sample Company Limited (the “Distributor”)

SAMPLE

DISTRIBUTORSHIP AGREEMENT

(NON-EXCLUSIVE)

THIS AGREEMENT MADE ON THE _____ DAY OF _____ 20____.

BETWEEN ABC Company Limited of 1 Smith Lane London WC2A 1PL in England
(the “Supplier”);

AND: Sample Company Limited of 52 Chance Lane London WC2A 1PL in
England (the “Distributor”).

RECITALS

- A. The Supplier is the manufacturer and seller of the Products which it markets and sells through various distributors.
- B. The Supplier and the Distributor (“the Parties”) have agreed to enter into this agreement for the purpose of establishing a non-exclusive supply and distribution agreement between them for the Products in the territory (“the Territory”) described in Item - The Territory of Schedule A.

THE PARTIES AGREE AS FOLLOWS

1. DEFINITIONS

1.1 In this Agreement the following words and phrases mean:

“**Agreement**” means this Distribution Agreement and includes all amendments or variations to this Agreement. “**Approval**” means all permits, licences or approvals required from time to time to sell or distribute the Products in the Territory.

“**Confidential Information**” means all of the following: (a) the trade secrets of any Party; (b) the names of all past, present, and prospective Consumers, including all records regarding Products sold or supplied to them; (c) the names of all past, present, and prospective employees of such Party; and (d) the Party's past, present, and prospective systems, methods and procedures used in the operation of such Party's business; (e) any other oral, written, electronic and/or recorded information of any Party's business, products, financial condition, operations, assets or liabilities; (f) any documentary information that is marked “Confidential”, “Private”, “Secret”, “In Confidence” or “Not to be disclosed”; (g) all notes, analyses, summaries, compilations, studies projections, forecasts budgets, price list or records of any Party that is marked confidential or which by its nature is confidential.

Confidential Information *excludes* information that is: (a) generally available in the Industry other than as a result of a wrongful disclosure; (b) independently acquired or developed by a

Party without breach of this Agreement; or (c) available to a Party on a non-confidential basis from a third person not bound by any confidentiality agreement or fiduciary obligation owed to the other Party.

“Consumer” means any person who purchases or may purchase any Products for use within the Territory.

“Deliver/Delivery” means delivery of the Products to the Supplier’s nominated warehouse in the Territory.

“Distributorship” means this distributorship relationship between the Parties.

“Intellectual Property” includes but is not limited to copyright, trade marks, designs, patents, processes and all other intellectual property that is capable of legal protection, regardless of whether such legal protection has been formally obtained.

“Invoice” means a tax invoice that complies with the VAT laws.

“Law” means all applicable statutes, Acts, rules, regulations and by-laws current in the Territory together with all amendments and replacing laws.

“Material Breach” means any of the following:

- (a) any breach of a clause that is described as an essential term;
- (b) any breach of a clause that is capable of rectification and the Party in breach has failed to rectify within 14 days after being requested so to do by the other Party.

“Merchantable” means saleable in the Territory under its Product description at its market price or, if applicable, fit for its ordinary purpose.

“New Products” means all new products of whatever kind that the Supplier introduces as part of its overall range of Products available for sale in the Territory and also includes all enhancements, upgrades, new versions and/or replacements of any of the Products and/or newly developed products of the Supplier.

“Notice” means a notice in writing including those sent by facsimile, letter, email and telex and conveyed in accordance with this Agreement.

“Order” means an Order placed by the Distributor on the Supplier for any of the Products which Order must be in the form from time to time specified by the Supplier. The Order must include details of the Products’ description, the quantity ordered, the price per item in Pounds, the total price in Pounds, the requested time for Delivery and such other information as the Parties may reasonably require.

“Party/Parties” means the Parties to this Agreement and includes their lawful successors and assigns. Any reference to a Party will include, where applicable, any subsidiary controlled by a Party or by the same persons who control that Party.

“**Person**” includes any body that is recognised at Law in the Territory whether it be a natural person, an entity or corporation.

“**Pounds**” means British Pounds.

“**Products**” includes all the products listed in Schedule B and all Spare Parts and components of the Products. Products includes all New Products and Samples.

“**Quarterly**” means a period of 3 months.

“**Samples**” includes supplies of the Products (which includes New Products) for promotional purposes and all other promotion materials having regard to the then current and anticipated Consumer market in the Territory.

“**Spare Parts**” means all parts or components of the Products which are capable of being replaced in order to repair or maintain any of the Products.

“**Territory**” means the Territory described in Item - The Territory of Schedule A.

“**Term**” means the period commencing on the date hereof and continuing until either party gives 3 month(s) notice to the other and the period of that notice expires.

“**VAT**” means Value Added Tax as defined under the VAT Act.

“**VAT Act**” means the *Value Added Tax Act 1994*.

“**Year**” means each period of 12 months during the Term, the first Year commencing on the date hereof and expiring on the day before the anniversary of the date hereof.

2. INTERPRETATION AND ADDITIONAL CLAUSES

2.1 Words importing any gender include all genders including the neuter gender.

2.2 Words importing the singular includes the plural and vice versa.

2.3 The Parties agree that any Additional Clauses are express terms of this Agreement. To the extent there is any inconsistency between clauses in this Agreement and the Additional Clauses the Parties agree that to the extent only of that inconsistency the inconsistent clauses in this Agreement will not apply.

3. APPOINTMENT AND TERM

3.1 The Supplier appoints the Distributor and the Distributor accepts its appointment as a non-exclusive distributor of the Products for the Term in the Territory on and subject to the rights and obligations of the Parties as set out in this Agreement and where applicable in the Additional Clauses. The Distributor acknowledges that the Supplier at its absolute and sole discretion may appoint other Persons as Distributors of the Products in the Territory on such terms as the Supplier thinks fit.

3.2 During the Term, the Distributor will for so long as it is the Distributor in the Territory use its best efforts to market, sell, distribute and promote the Products in the Territory.

3.3 During the Term, each Party promises to act reasonably and in good faith towards the other and provide to the other on request all reasonable assistance in promoting the sale of the Products in the Territory.

3.4 The Distributor may appoint sub-distributors, agents, licensees, franchisees and other representatives to market, sell and distribute the Products in the Territory or any part thereof. The Distributor is responsible for all acts and omissions of its sub-distributors, agents, licensees, franchisees and other representatives as if those acts or omissions were those of the Distributor with the intent that any such act or omission will be a breach of this Agreement by the Distributor.

3.5 During the Term the Distributor is not entitled to sell products that are competitive to or similar to the Products.

4. NEW PRODUCTS

4.1 The Supplier will promptly notify the Distributor of any New Products available to the Distributor.

4.2 Provided the Distributor has met all its Targets (if any specified in Schedule A), all New Products which the Supplier, at its sole discretion decides to distribute, market or sell in the Territory, must first be offered to the Distributor to market and sell. If the Distributor does not agree to sell the New Products on the terms proposed by the Supplier then the Supplier may make such other arrangements as it thinks fit for the marketing and sale of the New Products in the Territory. The Distributor will be deemed not to have agreed to sell the New Products if it fails to accept the terms proposed by the Supplier within 30 days of those terms being offered to the Distributor.

5. INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION

5.1 The Supplier is the exclusive owner of all of the Supplier's Intellectual Property in the Products. The Distributor will not challenge or dispute the Supplier's ownership of the Supplier's Intellectual Property. The Distributor will not do anything or omit to do anything which could detrimentally affect the ownership of the Supplier's Intellectual Property.

5.2 The Distributor is entitled in the Term to use the Supplier's Intellectual Property including all trade marks as it may reasonably require for the sole purpose of effectively selling, marketing and/or distributing the Products in the Territory. The Distributor must not use any of Supplier's Intellectual Property for any other purpose without the consent of the Supplier.

