

DISTRIBUTION AGREEMENT

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This Distribution Agreement (this "**Agreement**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

[SUPPLIER LEGAL NAME], a [STATE] [ENTITY TYPE, e.g. limited liability company] with its principal place of business at [SUPPLIER ADDRESS] (the "**Supplier**"); and

[DISTRIBUTOR LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [DISTRIBUTOR ADDRESS] (the "**Distributor**").

Supplier and Distributor are each a "**Party**" and together the "**Parties**."

Recitals. Supplier manufactures or supplies certain products and wishes to appoint Distributor to purchase those products for resale in a defined territory. Distributor wishes to accept that appointment, on the terms below. In consideration of the mutual promises below, the Parties agree as follows.

1. Appointment and Territory

1.1 Appointment. Supplier appoints Distributor, and Distributor accepts the appointment, to market, sell, and distribute the products listed in **Exhibit A (Products)** (the "**Products**") within the **Territory** described in **Exhibit B**, during the term of this Agreement.

1.2 Exclusivity. The appointment is [EXCLUSIVE / NON-EXCLUSIVE] within the Territory. [If exclusive: **Supplier will not appoint other distributors for the Products in the Territory and will refer Territory inquiries to Distributor. Confirm whether reserved direct-sale rights or carve-outs apply, and review competition-law limits with counsel.**]

1.3 Channel of purchase. Distributor purchases Products from Supplier for its own account and resells them in its own name. Distributor is not Supplier's agent and has no authority to bind Supplier or make commitments on its behalf.

1.4 Reservation. Supplier reserves all rights not expressly granted, including the right to sell directly to [e.g. **national accounts, government buyers, or online channels — specify any reserved customers or channels**], as described in Exhibit B.

2. Distributor Obligations

2.1 Best efforts. Distributor will use [commercially reasonable / best] efforts to promote, market, and sell the Products throughout the Territory and to develop and maintain a customer base for the Products.

2.2 Sales capability. Distributor will maintain a qualified sales and support organization, adequate facilities, and the financial resources reasonably necessary to perform, and will train its personnel on the Products.

2.3 Inventory. Distributor will maintain reasonable inventory of Products and spare parts to meet anticipated Territory demand, as described in **Exhibit C (Inventory and Minimums)**, if applicable.

2.4 Compliance. Distributor will comply with all laws applicable to its marketing and resale of the Products, including consumer-protection, labeling, import/export, and anti-bribery laws, and will obtain and maintain any licenses or permits required to distribute the Products in the Territory.

2.5 No alteration. Distributor will not alter, repackage, or relabel the Products, or remove or obscure Supplier's trademarks, serial numbers, or notices, without Supplier's prior written consent.

3. Supplier Obligations

3.1 Supply. Supplier will supply Products to Distributor in accordance with accepted orders under Section 4, subject to availability and Supplier's standard lead times.

3.2 Marketing support. Supplier will provide Distributor with reasonable product information, sales literature, training materials, and marketing support as the Parties agree from time to time.

3.3 Product changes and discontinuance. Supplier may modify or discontinue a Product on **[NUMBER, e.g. 60]** days' prior written notice. Supplier will honor Purchase Orders for a discontinued Product that were accepted before the notice.

3.4 Warranty pass-through. Supplier's standard product warranty, attached as **Exhibit D**, runs to end customers as stated. Distributor will pass through that warranty without modification and will not make warranties beyond it on Supplier's behalf.

4. Orders, Pricing, and Payment

4.1 Purchase Orders. Distributor will order Products by written purchase order (each, a "**Purchase Order**"). Each Purchase Order is governed by this Agreement, and conflicting pre-printed terms on either Party's forms have no effect.

4.2 Prices. Distributor's purchase prices are stated in **Exhibit E (Price List)**. Unless Exhibit E says otherwise, prices are in **[CURRENCY, e.g. US dollars]** and are exclusive of taxes, shipping, and duties.

4.3 Resale prices. Distributor sets its own resale prices in its sole discretion. Supplier may suggest resale prices but does not require Distributor to charge them. **[Resale-price practices are regulated; review with competition counsel.]**

4.4 Price changes. Supplier may change Exhibit E prices on **[NUMBER, e.g. 30]** days' prior written notice. A change does not apply to Purchase Orders already accepted before it takes effect.

4.5 Payment. Distributor will pay each undisputed invoice within **[NUMBER, e.g. 30]** days of the invoice date. Undisputed amounts not paid when due accrue interest at the lesser of **[e.g. 1.5%]** per month or the maximum rate permitted by applicable law. Title and risk of loss pass per the delivery term stated in Exhibit E.

5. Minimum Purchases

5.1 Minimums. **[OPTIONAL — for exclusive arrangements: During each [PERIOD], Distributor will purchase at least the minimum quantity or value stated in Exhibit C (the "Minimum").]**

5.2 Shortfall remedy. If Distributor fails to meet a Minimum for a given period, Supplier's sole remedy is, at Supplier's option, to **[convert the appointment to non-exclusive / reduce the Territory / terminate under Section 8]** on written notice, unless the Parties agree otherwise in writing.

5.3 **Adjustment.** The Parties will review Minimums **[ANNUALLY]** and may adjust them by signed written agreement to reflect market conditions.

6. Trademarks and Branding

6.1 **License.** Supplier grants Distributor a non-exclusive, non-transferable license to use Supplier's trademarks and trade names solely to market and resell the Products in the Territory during the term, in accordance with Supplier's brand guidelines.

6.2 **Goodwill.** All goodwill arising from Distributor's use of Supplier's trademarks inures to Supplier. Distributor acquires no ownership in the trademarks and will not register or use confusingly similar marks.

6.3 **Quality and notice.** Distributor will use the trademarks only on genuine Products and in approved materials. Distributor will promptly notify Supplier of any suspected infringement or counterfeiting it becomes aware of in the Territory.

7. Confidentiality and Indemnification

7.1 **Confidentiality.** Each Party will protect the other's non-public information disclosed under this Agreement with at least reasonable care, use it only to perform under this Agreement, and disclose it only to those who need it and are bound by comparable obligations. The obligations do not apply to information that is public, already known, rightfully obtained from a third party, or independently developed.

7.2 **Indemnification by Supplier.** Supplier will defend Distributor against third-party claims that a Product, as supplied, is defective or infringes a third party's intellectual property rights, and will indemnify Distributor for resulting damages, except to the extent caused by Distributor's alteration, misuse, or unauthorized representations.

7.3 **Indemnification by Distributor.** Distributor will defend Supplier against third-party claims arising from Distributor's marketing representations beyond Supplier's materials, its alteration of Products, or its breach of law, and will indemnify Supplier for resulting damages.

7.4 **Procedure and limits.** The indemnified Party will give prompt written notice, allow the indemnifying Party to control the defense, and cooperate reasonably. Except for indemnification, confidentiality breaches, and willful misconduct, neither Party is liable for indirect, incidental, special, or consequential damages, and each Party's aggregate liability will not exceed **[the amounts paid by Distributor for Products in the prior [NUMBER] months]**.

8. Term and Termination

8.1 **Term.** This Agreement begins on the Effective Date and continues for **[INITIAL TERM, e.g. two years]**, then renews for successive **[RENEWAL TERM]** periods unless either Party gives written notice of non-renewal at least **[NUMBER]** days before the end of the then-current term.

8.2 **Termination for cause.** Either Party may terminate immediately on written notice if the other materially breaches and fails to cure within **[NUMBER, e.g. 30]** days after written notice, or becomes insolvent or subject to bankruptcy proceedings not dismissed within **[NUMBER]** days.

8.3 **Effect of termination.** On termination: (a) Distributor will stop holding itself out as an authorized distributor and cease using Supplier's trademarks; (b) Supplier will fill accepted Purchase Orders or, at its option, cancel them and refund prepayments; and (c) Supplier may, at its option, repurchase Distributor's unsold inventory of current Products in saleable condition at the price Distributor paid, less a reasonable restocking allowance.

8.4 **No compensation for termination.** Except for amounts and remedies expressly stated, neither Party owes the other any compensation, indemnity, or damages merely for non-renewal or lawful termination. **[Some jurisdictions grant distributors statutory termination or goodwill compensation rights that cannot be waived; confirm with local counsel.]**

8.5 **Survival.** Sections 4 (for accrued amounts), 6.2, 7, and 9, and any provision that by its nature should survive, survive termination.

9. General Provisions

9.1 **Independent contractors.** The Parties are independent contractors. Nothing creates a partnership, joint venture, agency, or employment relationship, and neither may bind the other.

9.2 **Assignment.** Distributor may not assign this Agreement or delegate its duties without Supplier's prior written consent. Supplier may assign to a successor in connection with a merger, acquisition, or sale of substantially all assets on written notice.

9.3 **Governing law and venue.** This Agreement is governed by the laws of the State of **[STATE]**, without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in **[COUNTY, STATE]**.

9.4 **Notices.** Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt.

9.5 **Force majeure.** Neither Party is liable for delay or failure caused by events beyond its reasonable control, provided it gives prompt notice and uses reasonable efforts to mitigate.

9.6 **Entire agreement; amendment.** This Agreement, together with its Exhibits, is the entire agreement between the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

9.7 **Severability and waiver.** If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

9.8 **Counterparts and electronic signature.** This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

SUPPLIER	DISTRIBUTOR
Signature: _____	Signature: _____
Printed name: [NAME]	Printed name: [NAME]
Title: [TITLE]	Title: [TITLE]
Date: _____	Date: _____
_____	_____

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