

## SAMPLE DISTRIBUTOR AGREEMENT

(For LicenseIQ Functional Testing – Distributor Channel Model)

This Distributor Agreement (“Agreement”) is entered into as of January 1, 2025 (“Effective Date”) by and between:

Manufacturer: ABC Manufacturing, Inc., a Delaware corporation (“Manufacturer”)

Distributor: XYZ Distribution LLC, a Massachusetts limited liability company (“Distributor”)

### 1. APPOINTMENT & TERRITORY

Manufacturer appoints Distributor as a non-exclusive distributor of Manufacturer’s products (“Products”). Distributor may sell Products only within the United States – Northeast Region (MA, CT, RI, NH, VT, ME). Sales outside the Territory are not eligible for rebates or incentives.

### 2. PRICING & DISCOUNTS

Products shall be sold at Manufacturer’s published list price (“List Price”). Distributor shall receive a standard distributor discount of 20% off List Price. Distributor shall not resell Products below 75% of List Price without written approval. Sales below the price floor are ineligible for rebates.

### 3. VOLUME REBATE PROGRAM

Annual rebates are based on net eligible sales:

\$0 – \$999,999: 0%  
\$1,000,000 – \$2,499,999: 2%  
\$2,500,000 – \$4,999,999: 4%  
\$5,000,000+: 6%

Rebates are accrued quarterly and paid annually within 60 days of year-end.

### 4. MARKET DEVELOPMENT FUNDS (MDF)

Manufacturer shall allocate MDF equal to 1.5% of annual net eligible sales. MDF may be used only for approved marketing activities. Claims must be submitted within 90 days with documentation.

### 5. PRICE PROTECTION & CHARGEBACKS

Distributor is eligible for price protection on inventory purchased within 60 days prior to a price reduction. Chargeback equals (Old List Price – New List Price) × Eligible Units. Inventory older than 60 days is not eligible.

### 6. SALES REPORTING & POS DATA

Distributor shall submit monthly POS reports within 15 days of month-end. Required fields include invoice date, SKU, quantity, resale price, end customer, and territory.

### 7. AUDIT RIGHTS

Manufacturer may audit Distributor’s records upon 30 days’ notice, once per year. If underpayment exceeds 3%, Distributor reimburses audit costs.

### 8. PAYMENT TERMS

Invoices are due Net 30.

### 9. TERM & TERMINATION

Initial term is three years with annual renewal. Immediate termination applies for fraud, territory, or pricing violations.

### 10. GOVERNING LAW

This Agreement is governed by the laws of the State of Delaware.