

**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.