

## **DISTRIBUTION AGREEMENT**

THIS DISTRIBUTION AGREEMENT made at \_\_\_\_\_ Where is the Agreement being executed ? on this \_\_\_\_\_ What  
is \_\_\_\_\_ date \_\_\_\_\_ of \_\_\_\_\_ Entering \_\_\_\_\_ in \_\_\_\_\_ Agreement \_\_\_\_\_ day \_\_\_\_\_ of \_\_\_\_\_

### **BETWEEN**

\_\_\_\_\_, a company incorporated under the Companies Act, 1956 and having its registered office at  
27/104, Chandresh Accord, Near Sai Baba Temple

\_\_\_\_\_, hereinafter referred to as Company, (which expression unless repugnant to the context or meaning thereof shall be deemed to mean and include its successors and assigns) of the One Part;

### **AND**

\_\_\_\_\_, a company incorporated under the Companies Act, 1956 and having its registered office at  
represented by \_\_\_\_\_

\_\_\_\_\_, hereinafter for the sake of brevity referred to as Distributor (which expression unless repugnant to the context or meaning thereof shall be deemed to mean and include his/her/its partners, their/its legal heirs, administrators, successors and permitted assigns) of the Other Part. \_\_\_\_\_ Company and Distributor are together referred to as the Parties and individually as the Party.

### **WHEREAS**

A. Company is engaged in the business of manufacturing and sale of various cosmetic, beauty, perfumery, toiletries and hygiene products commercialized under various trademarks belonging to the L'Oréal Group of for which a license is granted to Company. Products mentioned above have a worldwide reputation of high quality;

B. Distributor has represented to Company that it has sufficient experience, expertise, excellent marketing skills, adequate godown space, adequate work force, infrastructural facilities and required working capital, and has approached Company to appoint it for redistributing Companys products to the retailers within the specified territory mentioned in these presents;

C. Considering the representations made by Distributor, Company has agreed to sell to Distributor Products on wholesale basis on the terms and conditions hereinafter contained

**NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:-**

## **1. DEFINITIONS:**

1.1. **Agreement:** means the provision of the present agreement, its schedules annexed hereto and any other amendments to be concluded in the future between the Parties

1.2. **Trademark:** means any Trademark, Trade name and symbol ,logo, crest, logo, indicia of origin and other identifying marks, service mark in any form or forms and all combinations thereof, designs and colour schemes under which Products [as set forth in Schedule-I to the Agreement] shall be marketed in the Territory.

1.3. **Products:** means all cosmetic products known and marketed under the Trademarks that Distributor is authorized to market in the Territory and which are listed under Schedule-I annexed hereto.

1.4. **Territory:** means the territory in India as specified under Schedule-I in which Distributor agrees to promote diligently the sale of Products during the performance of this Agreement, excluding (i) any free trade zone which now exists, or which may be created in the future, (ii) any tax free outlets : duty free shops of any kind in all ports and airports and/or located in travel retail areas (including shops specialized in sales against foreign currencies to foreigners or diplomatic corps), ship chandlers, airline companies, steamship companies, military forces of any kind.

## **2. TERM:**

2.1. This Agreement shall be deemed to be effective from 2018-11-04, and shall be valid for one year (the Initial Term) unless terminated earlier as hereinafter provided and shall supersede any and all written and/or oral agreements concluded between Company and Distributor prior to the date of signature of this Agreement.

2.2. At the end of the Initial Term, this Agreement will be automatically renewed for successive periods of one (1) year unless terminated, in the manner hereinafter provided in clause 14, by either Party by means of a registered letter sent to the other Party at least one (1) month prior the expiration of the Initial Term or any renewal term.

## **3. SCOPE:**

3.1. Company hereby appoints Distributor on a non exclusive basis for the period specified hereinabove in the Territory, for the sale of Products on a wholesale basis.

3.2. Distributor hereby expressly accepts its appointment on a non exclusive basis for the redistribution of Products for the specified period in the Territory, and agrees and undertakes to strictly abide by all the terms and conditions of this Agreement.

3.3. In light of the considerable time and effort spent by Company in providing training to the Distributors employees and the specialized nature of Companys products, the Distributor shall make its best efforts to promote Companys products. The Distributor shall specifically seek Companys prior written consent which shall not be unreasonably withheld, before dealing in similar or competing products of any other person whether individual, partnership, company or corporation during the period of the Agreement. Failure to obtain such written consent shall be a ground for termination of the distributorship under Clause 14 of the Agreement

3.4. Distributor shall all the time during the performance of this Agreement, ensure adequate infrastructure and service level and have adequate resources to comply with the terms and conditions of this Agreement. Agreement.

3.5. On being approached by prospective buyers for purchase of the Product/s, Distributor shall give such buyers necessary information and material as may be required to enable them to fully and effectually know and understand the specifications of the Product/s and any other terms and conditions related to the sale of Products by Distributor to such prospective buyers

3.6. It is hereby expressly agreed by and between the Parties hereto that Distributor shall not have any authority other than what is expressly permitted by Company under these presents. If Distributor at any time exceeds the authority given under these presents in such event Distributor shall indemnify Company for any loss or prejudice of any nature whatsoever caused to Company.

3.7. Distributor will assist Company in advertising and sales promotion campaigns. When Companys Representatives, Sales Staff visit the specified areas; Distributor will give them their best co-operation in matter relating to development of Companys business interest. Company does not allow the private /personal monetary transactions or other transactions, if any, made between Distributor and Companys representative sale staff nor be responsible for any such transaction.

3.8. Company shall be entitled to, at any time, give directions/instructions to Distributor as regards all the matters concerning Distributors work scope envisaged herein.

#### **4. ORDER AND SUPPLY OF PRODUCTS:**

4.1. Company Subject to availability of stocks, shall execute the order placed by Distributor, whole or in part of the order by such mode of transport, at such times and in such convenient lots and quantities as Company may in its sole discretion decide. Company reserves the right to withdraw some Products from its catalogue. In case an Order including one or several withdrawn Products is placed, Company will advise Distributor as soon as possible.

4.2. Orders must be placed on the basis of the packaging standard indicated by Company. If the quantities ordered are non-standard, Company reserves the right to adjust the Order to the nearest packaging standard. Orders below the minimum value of Rs. calculated at the invoiced price (Inclusive of taxes) will not be accepted or processed. Company shall not be liable for any loss of profits or contracts or any other indirect or consequential loss, damage or injury caused by or arising out of any refusal, suspension or cancellation of any Order, regardless if it was accepted or not, or of

a negligence, breach of contract or howsoever by Company. Each lot so dispatched shall be deemed to be a separate contract and the failure to dispatch any one / other lot shall not vitiate or affect the contract as to the other lots. Receipt by Company of any payment against an order shall not be deemed to be acceptance of the order by Company. For the aforesaid purposes, the date of dispatch will be that appearing on the railway receipt, lorry receipt, bill of lading or delivery order or such other document sent by Company to Distributor to obtain delivery of Products

4.3. Transportation of Products will be borne exclusively by Company. Products will be delivered "postage and packing paid" at the address designated by Distributor and approved in advance by the logistics manager of Company. Delivery times quoted to the Customer are guidelines only, and delays shall not entitle Distributor to cancel the sale, refuse Products or claim damages.

4.4. All risks, including of any loss or damage to or deterioration in Products will pass to Distributor from the date of dispatch of Products from Company's depot

4.5. In case of any claim for short supply or loss of or damage to the Product in transit, Distributor shall immediately make a written claim with the carrier at the time of taking delivery and a copy of such a claim shall be immediately sent to Company, but in any case within 15 days from the date of making the claim with the carrier. In the absence / default of such a claim and/or intimation to Company Products sold hereunder shall be deemed in all respects to have been received in accordance with the Agreement.

4.6. To enable Company to ensure that deteriorated, damaged Products are not sold by Distributor, Distributor will comply with and operate such system of stocks control as may from time to time be recommended by Company. Distributor shall ensure that stocks are rotated on a first-in-first-out [FIFO] basis

4.7. When an Order is unexpectedly high compared to the Orders usually placed by Distributor, in particular, in case of promotional transactions, Company reserves the right to refuse to deliver whole or part of the Order and Company will advise Distributor as soon as possible.

4.8. If Distributor fails to take delivery within a reasonable period and pay for Products dispatched or delivered by Company upon the terms and conditions of the contract of sale, Company may at its sole discretion, without losing its rights to claim the monies from Distributor, be entitled to sell or dispose of Products in any manner as Company thinks fit, without any notice to Distributor. Any expenditure incurred by or loss arising to Company from such sale or disposal shall be to the account of Distributor.

## **5. NO RETURN:**

5.1. Products are not sold on a Sale or Return basis. Products are not to be returned to Company at any address unless with the prior written agreement of Company or an official collection has been arranged with the prior written approval of Company. Distributor agrees that in such exceptional case, this collection shall be limited to Products in saleable conditions only.

5.2. Without prejudice of the foregoing, in order to maintain the reputation and image attached to Products, upon request from Company, Distributor undertakes to forthwith sell to Company any Products, which will be deemed obsolete according to the sole judgment of Company. For avoidance of doubt, this clause does not constitute any undertaking from Company to purchase back any Product from Distributor.

## **6. FURNISHING INFORMATION:**

6.1. Company hereby agrees to furnish to Distributor such appropriate literature, technical data, price list, product leaflets, POP material as is necessary and it is able to provide.

6.2. In order to enable Distributor to market the Products Company may from, time to time: a. Furnish to Distributor information relating to the maximum resale price as indicated on Products, and any other terms and conditions relating to Products;

b. Furnish to Distributor brochures, pamphlets, forms, documents and other POS materials which Company may print and publish in respect of the said Products;

c. Impart training to all or any of the employees of Distributor, if deemed necessary. Distributors such employees shall be bound to attend such training courses, as and when required by Company and/or persons appointed by Company and to further implement such skills

6.3. All such data, documents, information, etc. furnished by Company or any person(s) in respect of the work scope under these presents shall belong exclusively to Company. Distributor shall, for such time as the same are in possession of Distributor ensure that such data, documents, information, etc. furnished shall be kept safe and confidential and the same shall not be utilised by Distributor for its own use or any person/body whatsoever, other than Company. Distributor shall ensure that no copies of such data/documents/information are made. Distributor hereby irrevocably indemnifies Company against any and all losses, prejudice and/or claims made against Company, in respect hereof

6.4. Company may at any time ask Distributor to return any or all material relating to the present Agreement, including but not limited to data, documents, information, etc. whatsoever, received by Distributor from Company and/or from any other source whatsoever. Upon such request, Distributor shall forthwith return the said material, but in no case later than The Distributor should collect returned materials within days of receipt of such request from Company. Distributor shall not claim any lien on any of such materials whatsoever, received from Company or from any other source, for any reason whatsoever even if any monies are due and payable by Company to Distributor.

6.5. All P.O.S. material are not transferable and cannot be altered or destroyed by Distributor without the prior and written consent of Company. The P.O.S. material cannot be removed from its existing location without the prior and written consent of Company. If in case the P.O.S material is removed from its existing location before the expiration of its normal life and the P.O.S material cannot be placed in a new location, Distributor shall compensate Company by paying a sum equal to the net book value of this P.O.S. material

## 7. BILLING AND PAYMENT:

7.1. Products delivered by Company shall be invoiced in accordance with the price list containing the maximum retail price for each product (to be applied on each Product as per prevailing Indian law), communicated to Distributor and the commercial terms as mentioned in Schedule-I. The Distributor shall be entitled to sell the Products at a price determined by it, subject to the maximum retail price and as per commercial terms specified in Schedule-I. The prices of Products are exclusive from VAT or any other applicable tax. Company shall be entitled to vary the price list of Products at any time without prior notice when deemed necessary to take into account the evolution of the economic circumstances and such change shall be intimated to Distributor as and when such new price list is implemented.

7.2. Distributor shall, if so required by Company, hand over to Company signed cheques, and authorize Company to complete such cheques with the amount as per the Payment Advice issued to Distributor giving the details of the purchase price in respect of Products supplied to Distributor. Such payment advise shall also contain any outstanding amount payable till the date of last purchase by Distributor and also adjust any amount payable by Company to Distributor. The signed cheque, unless and until countermanded, shall be deemed to constitute a representation and assurance on the part of Distributor to Company that Distributor has sufficient funds in the bank to cover the amount of the cheque on the due date. If the cheque bounces then Company will have discretion to go to the court of law or take action that it deems necessary to compensate its loss or otherwise.

7.3. In case Distributor fails to make payment within the credit period as per the Schedule-I, Company may exercise its statutory right to charge interest for late payment on the overdue amount at the rate of percent above the prevailing Bank overdraft Rate to Company on the due date for payment. Company also reserves the right to cancel or suspend further deliveries or, if necessary, require advance payment before any delivery of Products.

6.4. Company may at any time ask Distributor to return any or all material relating to the present Agreement, including but not limited to data, documents, information, etc. whatsoever, received by Distributor from Company and/or from any other source whatsoever. Upon such request, Distributor shall forthwith return the said material, but in no case later than The Distributor should collect returned materials within days of receipt of such request from Company. Distributor shall not claim any lien on any of such materials whatsoever, received from Company or from any other source, for any reason whatsoever even if any monies are due and payable by Company to Distributor.

**SIGNED, SEALED AND DELIVERED on behalf**  
**of on behalf of**

**"Company"**

Signature:

Name:

Designation:

Signature:

Name:

Designation:

**Witness:**

Signature:

**SIGNED, SEALED AND DELIVERED on behalf**  
**of on behalf of**

**"Distributor"**

Signature:

Name:

Designation:

Signature:

Name:

Designation:

**Witness:**

Signature:

Name:  
Designation:

Name:  
Designation: