



深圳市永欣光电子有限公司

Shenzhen Forever-light Electronics Co.,Ltd



**Area  
Exclusive  
Distribution  
Agreement**



Contract No.: \_\_\_\_\_



## Exclusive Distribution Agreement

By mutual agreement through friendly consultations, Party A is willing to authorize Party B to be his Exclusive Distributor to sell the LED Lights in (defined area) . In order to clarify the rights and obligations of both parties, the agreement hereby to be made.

**Party A (Principal): Shenzhen Forever-Light Electronics Co., Ltd.**

**Legal Representative: XIE FA GUO**

**Address: 5/F,1<sup>st</sup> Building, Huafa Industrial Zone, No.8 Xingfa Road, Gongming Street, Guangming District, Shenzhen, China**

**Tel: 86-755-27734215**

**Fax: 86-755-27167606**

**Contact Person: \_\_\_\_\_**

**E-Mail: \_\_\_\_\_**

**Party B (Trustee): \_\_\_\_\_**

**Legal Representative: \_\_\_\_\_**

**Address: \_\_\_\_\_**

**Tel: \_\_\_\_\_**

**Fax: \_\_\_\_\_**

**Contact Person: \_\_\_\_\_**

**E-Mail: \_\_\_\_\_**



## **Article 1: the relationship of both parties**

1. In the term of this agreement, Party A and Party B is a strategic cooperative relation, and work together in a specific area for the LED lighting products (Party A designed and manufactured ) marketing planning, sales and service.
2. This agreement does not have the rights of agent; either party can not on behalf of the other party to a third; if damage resulting to the other party, the ultra vires of the party has to bear the liability and the legal responsibility.

## **Article 2: Products**

Products referred to in this agreement means the LED lighting products manufactured by Party A.

## **Article 3: Exclusive Distribution Rights**

1. Party A authorizes Party B to exclusively import and sell its products in ( [defined area](#) ) .
2. Party A keeps the rights for serving the customers who came from ( [defined area](#) ) and cooperated before this agreement signed.
3. Party A has to pass new ( [defined area](#) ) customers who would like to establish business relationship with to Party B, and has to provide Party B with important information including enquiry, Party A should be no missing and without quotation.

## **Article 4: Exclusive Right**

Party A should not authorize any other parties (including individual or company) except Party B as its dealer and agent in ( [defined area](#) ) .

## **Article 5: Price**

1. Best price will be offered to Party B.
2. If product price will be changed, Party A has to offer written notice to Party B 15 workdays before the price changed. Before the new price come into effect, the contact signed by both parties should keep the price unchanged, and according to the normal



lead time to delivery goods.

3. As a result of market reason for price protection, Party B has to offer written notice to Party A before 10 workdays.

### **Article 6: Trade Method**

1. Party A sells products and components to Party B according to the prices in the formal quotations.

2. Party B has to pre-inform Party A according to products' production cycle when it would like to purchase goods, and fax or email correct and normative purchase orders to Party A, definitely note Item No., Specification and quantity, etc.

3. Party A should clearly inform payment terms and delivery date to Party B according to the inventory within 2 business days after receiving the purchase order, and the relevant files will be valid with signature and stamp from both parties (fax is valid also). Party B has rights to purchase goods from other suppliers if Party A can not meet his demands timely.

4. If merchandise on hand supplies, Party B should pay up for all goods, and Party A will delivery the goods after receiving all payment. Party B should place an order in advance according to products' production cycle if it has special requirements for products or needs exceed Party A's inventory level. Party B should pay 30% deposit in advance, and the rest 70% balance should be paid before shipment.

### **Article 7: Make the payment**

1. All the balance accounts under this agreement accept USD or RMB for Cash on Delivery (The payment takes into the specified bank account by Party A as final). The payment terms T/T\ Cash\ Cheque are accepted.

2. All the payment must be remitted into appointed account by Party A.

3. Party A should delivery goods according the agreed time by both Parties after receiving the Payment (the payment remitted into the appointed account as final).



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## **Article 8: Rights and Obligations for Party A**

1. Party A should provide Party B with high quality goods according to current relevant standards or international regulations.
2. Party A helps to train staffs from Party B and arrange a full learning plan of technology and products (Including installing\repairing/product features/advantages, etc.). Staffs from Party B pay return fare and other costs themselves.
3. Website of Party A is allowed to be linked with Party B's website and to be introduced to Party B's customers and to indicate Exclusive Distributor of Party A in its website; Meanwhile, Party A issues a certificate of Exclusive Distribution authorization to Party B.
4. Party B might submit its plan for attending exhibition 90 days in advance, Party A will draw up the Exhibition Supportive policy within 7 workdays after verification, including samples, publicity material, catalogues etc.
5. Within the validity period of the agreement, if Party A access to the patented product registration, trademark or other commercial signs, it has to provide them to Party B immediately.
6. Within the validity period of the agreement, Party B should make a solution if it would like to cooperate with Party A deeply when it bids for a medium or large construction project, bidding document and qualification can be affiliated to Party A. If any major projects or emergency situation happened, Party B may apply for Party A to provide technical guidance to the construction site to help solve the problem, but the travel fee of Party A's technical support staff should be charged by the Party B.
7. Party A can provide Party B with OEM&ODM service if necessary.
8. Party A provides the specific items of products after-sales service to Party B according to the quality assurance protocol signed by both Parties.
9. Party B should inform Party A in written notice immediately when it confirms any third Party sell specified goods in the area of (defined area) , Party A must stop selling the goods to the third Party.



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## **Article 9: Rights and Obligations for Party B**

### 1. Basic qualification requirements for Party B

1.1 Have an independent legal personality, and specializes in sales of lighting products.

1.2 Have professional website, the actual office space and product showroom (offices or stores).

1.3 With a capacity of market research, marketing planning, sales planning making and execution. Can assist company in market capacity assessment in the particular areas and offer some suggestion for market promotion. Have some targeted advice on the function, performance, appearance and certification of existing products, and have some particular suggestion for the new products development.

1.4 Must be equipped with more than one professional product installation, repair, maintenance technical personnel, to provide technical support and after-sale service (we can provide training support).

2. Party B's first annual sales volume is 20W USD, Distribution period is from      to     

3. Party B has to reach to 40% of the annual sales within 6 months after agreement signed, otherwise Party A will remind Party B in written. Party B has to reach to 70% of annual sales within 12 months after authorized confirmed, or Party A has the rights to cancel the distribution qualification. What's more, if Party B has been confirmed that sold products beyond agreed area without notification to Party A, or the distribution qualification will be cancelled.

4. Party B can't buy and sell homogenize products from other companies.

5. Party B has to submit the progress report for customer development of those customers information provided by Party A quarterly, and also provide Party A with the next quarter sales plan.

6. Party B must be in accordance with standards of local industrial and commercial administration and protect the product's reputation, image, and intellectual property right and improve after-sales service level. Party B should solve the problems such as complaints from customers, defective issues and inspection from relevant



departments.

7. Party B should not use trademark of Party A on the products from other manufacturers, and produce or copy the same products without any authorization.

8. Party B can't sell the products to the places that over the appointed area (Except the area where Party A didn't settle an exclusive distributor).

9. Party B has the obligations to feedback about market information, status of competitors, products quality issues etc. timely.

10. Party A will make regular product packaging, so Party B can not change the LOGO, trademark and other commercial signs when they sell the products.

### **Article10: Transportation and related cost**

1. Party A is entrusted to ship the goods as requirements of Party B. Party B will be responsible for all freight charge\insurance premium\etc. Meanwhile, Party A is responsible for the cost of packing charge\ contact with the carrier / tracking / information advising /etc.

2. Party B should inform Party A in written notice whether buy cargo insurance or not when signing the contract and the insurance fee will be paid by Party B.

3. Party A will be responsible for the round trip freight charge of the goods which has been found as defective ones due to poor quality within warranty period, if not, Party B will cover the cost for the issues which due to wrong operation or exceed the warranty period.

### **Article 11: Valid Time of Agreement**

This agreement will be come into effect in appointed time after both parties signed. and shall be valid for\_\_\_\_year(s) from\_\_\_\_\_ to \_\_\_\_\_.The agreement will be automatic avoidance when expire if both parties do not agree on renewal the contract within 3 months before expiration.



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## **Article 12: Breach of contract**

If breach of contract has taken place to either party of this agreement, another party should inform him to correct by written form. If delinquent party does not correct its noncompliance within 3 months, another party has the rights to discontinue this agreement.

## **Article 13: General Clauses**

### 1. Force Majeure Clauses

If any party in this Agreement can not be met with force of the matters, to unable to perform all or part of this Agreement, the responsibility may be relieved for the following range, such as fire, flood, tsunami, earthquake, lightning, typhoons, cyclones, epidemics, explosions, machinery accidents, war, riots, sanctions, labor disputes or policy action of government, or indeed other non-human can be resisted. But the party has to get written notice of force majeure reason from the government or relevant organizations, and then fastest delivery until the other party to acknowledge receipt of the notification.

### 2. Transfer

Any party to this Agreement without the consent of the other party in the manner expressly agreed in written form, any transferring of rights and obligations involved in this agreement shall be void.

### 3. Trade secrets

Any party to this Agreement should not divulge trade secrets to a third party within period of validity or one year of expiration, if the loss of the other party's interests, the other party shall have the rights of recourse to divulge trade secrets of a party of economic responsibility.

### 4. Arbitration

Because of this agreement or matters related to a result of a dispute, both parties should be settled through friendly consultations, if not resolved, should be submitted to HuaNan branch of the China International Economic and Trade Arbitration Commission for arbitration and the arbitration is final. The reasonable expenses





incurred for the arbitration will be paid by the losing party.

#### 5. Agreement Text

This agreement is written both in English and Chinese, if there is conflict between two kinds of languages on the meaning of word, an eclectic result should be made according to the meanings of two kinds of languages.

6. This agreement has in duplicate, each party holds one.

#### **Article 14: Place of sign**

1. Place of sign:

Party A (Stamp)

Party B (Stamp)

Commission agent

Commission agent

Date:

Date: