# Consignment and distribution agreement: distributor version

Dated: [date]

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Schedule 1 Products and Prices

Schedule 2 Super Network's fees

Schedule 3 Training scheme

This agreement is dated: [date]

It is made between: [Super Network Ltd]

Of [address] ("Super Network")

And [Merchant name]

Of [address] ("the Merchant")

### These are the agreed terms:

### 1. Definitions

Definitions	
These definitions apply unl	ess the context • • • • • • • • • • • • • • • • • • •
"Confidential Information"	means all information about a party to this agreement, including any information which may give a commercially competitive advantage
	information about employees, their performance and
	data or information relating to suppliers, product plans, marketing strategies, finance, performance, operations, customer • • • • , • • • ;
	information about the Intellectual Property, know-how and all aspects ••••••••••••••••••••••••••••••••••••
	information created or arising from this agreement;
	It does not include information that it is reasonably necessary to disclose to a customer or other person in the usual course ••••••••••••••••••••••••••••••••••••

means all stock of Products in the possession

"Control" (including all derived terms), means, with respect to the relationship between two or more corporate bodies, the possession, directly or indirectly, of the power to direct the affairs or management of a corporate body, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including, without limitation, ["Incoterm" means latest version of pre-defined commercial rules of international trade published by ■ ■ ■ ■ "Customer" means a customer of Super Network "Fee" means a charge made by Super Network to the Merchant on . . . . . . . "Intellectual Property" means and includes: intellectual property of every sort, whether or not registered or registrable in any country, including ........................ "Logistics Centre" means premises used by Super Network ■ ■ ■ . . . . . . . . . . . . . . . "Price" means the price at which the Merchant sells ■ ■ .................... "Product" means any product offered for sale from time to . . "Territory" means the [country / state/ = = = = = [ = = = **■** ]].

# 2. Interpretation

In this agreement unless the context otherwise requires:

2.1	a reference to a person includes a human individual, a corporate entity and any organisation
2.2	in connection with any benefit given by this agreement, a reference to a party includes $\blacksquare$
2.3	a reference to a person includes reference to that person's successors, legal representatives, permitted assigns and any person to whom rights and obligations are transferred or pass as a • • • • • • • • • • • • • • • •
2.4	a reference to a paragraph or schedule is to a paragraph or schedule to this agreement unless the context •••••••••••••••••••••••••••••••••••
2.5	the headings to the paragraphs and schedules (if any) to this agreement are inserted ••••••••••••••••••••••••••••••••••••
2.6	any agreement by any party not to do or omit to do something includes an obligation not to allow some
2.7	[except where stated otherwise], any obligation of any person arising from this ••••••••••••••••••••••••••••••••••••
2.8	a reference to the knowledge, information, belief or awareness of any person shall be deemed to include the knowledge, information,
2.9	the words "without limitation" shall be deemed to follow any use of the words "■■■"■■"■■"■■■".
2.10	a reference to an act or regulation includes new law of substantially the same
2.11	all money sums mentioned in this agreement are calculated net of

2.12	this agreement is made only in the English language. If there is any conflict in meaning between the English language version of this agreement and any version or translation of this agreement in any other language, the English language version shall prevail. If a version of this agreement
	•••
Rela	ationship of parties
3.1	Each of the parties warrants that it has the authority to enter into this agreement [
3.2	Nothing in this agreement shall create a partnership, franchise or agency or other relationship between any of the parties,   .
3.3	Neither party shall have, nor represent that it has, any authority to make any commitment on the
Enti	re agreement
4.1	This agreement contains the entire agreement between the parties and supersedes all
4.2	Each party acknowledges that, in entering into this agreement, it does not rely on any representation, warranty, information
4.3	As an exception to the last previous sub paragraphs, the parties do rely
	[Enter list of other docs and dates • • • • • • • • • • ]

# 5. Warranties by Merchant

3.

4.

The Merchant now warrants to Super Network that:

5.1	it has or will have good title to every Product ••••••••••••••••••••••••••••••••••••
5.2	it has the unrestricted authority to grant the rights and licenses ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
5.3	it has all the intellectual property rights that are necessary to market, ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
5.4	every Product will be of merchantable quality and
5.5	it is not aware of any right of or claim by, any third party in the Territory which
5.6	the Product will be free from defects in performance for its
5.7	sale of the Product by
App	oointment of Super Network
6.1	The Merchant now appoints Super Network as its [exclusive / non-exclusive]
6.2	This is a consignment agreement whereby Super Network agrees .
6.3	Super Network shall hold the Merchant's stock until sold, whereupon it will

6.

Re	oresen	tative liaison
7.1	With ef	ffect from today Super Network and the Merchant will
7.2	Super	Network will provide a document setting out detailed practical
7.3		presentative of a party at a design review meeting shall be a with
Соі	nsignn	nent Stock management
Supe	er Netwoi	k=====================================
	er Netwoi	_
Supe	Super	k=====================================
Supe 8.1	Super  An app	Network and the Merchant shall mutually agree   1. Oropriate level of Consignment Stock is for between [

...........

.........

	8.3.2	The warehouse manager shall send to the Merchant a formal
	8.3.3	The Merchant shall deliver the Consignment Stock.
8.4	quantit	on orders taken,] Super Network shall purchase whatever y of Product it requires [from time to time / • • • • • • • • • • • • • • • • • •
8.5		the Products ordered shall pass from    I I I I I I I I I I I I I I I I I I
8.6	The sp	ace allocated to • • • • • • • • • • • • • • • • • •
8.7		Super Network decides to allocate less space or no space to a t it may give notice to Merchant
		]===.
Deli	very t	o Super Network
9.1	Produc	ts shall be shipped by the Merchant CIF ( = = = , = = = , = = = .
9.2		all pass when the Super Network warehouse manager hands a form of acceptance to the driver.

OR

9.

9.3	Super Network is solely responsible for payment of all costs associated with ••••••••••••••••••••••••••••••••••••
9.4	In the event that any person or authority charges Super Network for some service or tax in connection with the Products, Super
9.5	Product will not be accepted by Super Network unless each package or unit designed for point-of-sale is marked with  ,
OR	
9.6	Product will not be accepted by Super Network unless each
9.7	So far as any failure by Merchant to supply the required information
9.8	If Super Network accepts an order for a Product for which
9.9	The Merchant will pack with every Product,
9.10	The Merchant will maintain warranty and post-

# 10. Transportation

[Ther		any ways and alternative deals possible.
].	■ ■ ■ , ■	
10.1	The fol	lowing Incoterms = = = = = = = = = = = = = = = = = = =
	10.1.1	EXW [named • • • • , • • • • • • • • • ] • • • • ® 2020 .
	10.1.2	FCA [named • • • • , • • • • • • • • • ] • • • • ® 2020 .
	10.1.3	CPT [named • • • • , • • • • • • • • • ] • • • • ® 2020
	10.1.4	CIP [named • • • • , • • • • • • • • • ] • • • • ® 2020 .
	10.1.5	DPU [named = = = , = = = = = = ] = = = ® 2020
	10.1.6	DAP [named = = = , = = = = = = = ] = = = ® 2020
	10.1.7	DDP [named = = = , = = = = = = ] = = = ® 2020
	10.1.8	FAS [named = = = , = = = = = = = ] = = = ® 2020
	10.1.9	FOB [named = = = , = = = = = = = ] = = = ® 2020
	10.1.10	OCFR [named • • • • , • • • • • • • • • • ] • • • •
	10.1.11	CIF [named • • • • , • • • • • • • • ] • • • • ® 2020
10.2	All righ	ts, obligations, <b></b>

	10.3	Unless otherwise agreed in this agreement so far • • • • • • • • • • • • • • • • • • •
11.	The	Price
	11.1	The Price shall be the price • • • • • • • • • • • • • • • • • • •
	OR	
	11.2	The Merchant will sell the
	AND	
	11.3	Once agreed, the Price for the
OR		
	11.4	The Merchant may increase the Prices at any time upon giving [12] weeks
	11.5	The Prices are exclusive of value • • • • • • • • • • • • • • • • • • •
	11.6	The maximum amount of •••••••••••••••••••••••••••••••••••
	11.7	Super Network may choose the
12.	Pur	chase procedure: deductions and invoicing
	12.1	The Merchant shall issue an invoice

	12.2	::::	Network will pay the Merchant within [30] = = = = = = = = = = = = = = = = = = =
		12.2.1	any debt • • • • • • • • • • • • • • • • • • •
		12.2.2	agreed costs of any marketing • • • • • • • • • • • • • • • • • • •
		12.2.3	the invoiced price of Products returned by Customers;
		12.2.4	Products ordered by Super Network in    I I I I I I I I I I I I I I I I I I
		12.2.5	a reserve against possible future • • • • • • • • • • • • • • • • • • •
		12.2.6	agreed fixed costs of any future marketing programme;
	12.3		time, the Parties may agree the terms of a specific promotional gn for
13.	Terr	ns of p	payment by Super Network for Products
	13.1	All sum	s due under this agreement:
		13.1.1	shall be made in full, without any set-
		13.1.2	shall be paid by the due date, failing which the Merchant may charge Super

	13.1.3 Payments shall be made by Super
OR	
	13.1.4 Payments shall be made by Super Network
OR	
	13.1.5 [specify method of payment and due date]
13.2	On request, the Merchant will supply
13.3	If any applicable law requires any tax or charge to be deducted before payment,
13.4	Any sum due under this agreement not expressed in Rand shall be
13.5	Banking charges by the receiving bank on payments to the Merchant ■
13.6	The parties shall collaborate • • • • • • • • • • • • • • • • • • •
13.7	Where credit has been agreed in writing between ■ ■ ■ ■ ■ ■ ■ , ■ ■
	30

13.8 No right of set off shall arise.

	14 1	Fees for all services provided
	14.2	Fees shall be invoiced in any month for obligations incurred by
		Merchant = = = = = = = = = = = = = = = = = = =
	14.3	The Price to be paid by Super
		•••••
15.	Los	s of, or damage to Consignment Stock
	15.1	Super Network will pay the Merchant the replacement cost of any
		Consignment Stock
	15.2	that occurred before
		********
	15.3	to the extent that it arose directly
		•••••
	15.4	which is indirect, incidental, consequential, or special damages
		including, but
	15.5	Each of the parties undertakes to assist the
	10.0	

14. Fees for Super Network services

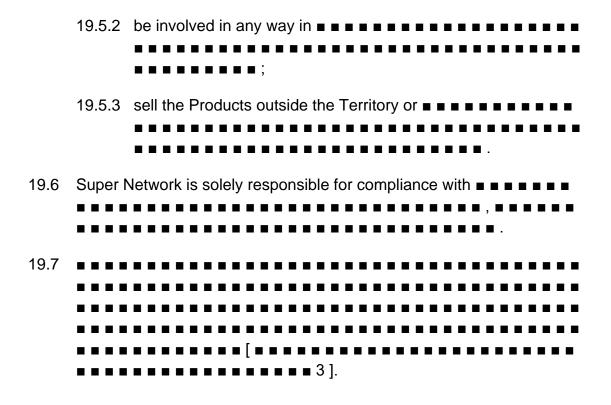
### 16. Product returns

16.1	At any	time, Super Network may return
	, ■ ■ ■	
	16.1.1	for some reason • • • • • • • • • • • • • • • • • • •
	16.1.2	the Product has been discontinued by either Party;
	16.1.3	the Product has been returned by a Customer;
	16.1.4	this agreement has ••••[••••[100]••
	16.1.5	the Product is defective or not of merchantable quality
	16.1.6	the Product ••••••••••••••••••••••••••••••••••••
16.2	A Prod	uct returned for the either of the $\blacksquare \blacksquare \blacksquare [2/3] \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare$ ,
		;
16.3	Networ	as any Product has been returned by a Customer of Superk, the
		[20].
	■ ■ " ■	
16.4	Upon it	s receipt of any Product return permitted under this paragraph,
16.5	If ever,	for any reason whatever, there

### 17. Products defective or not as ordered

17.1		ately upon taking delivery of any
	17.1.1	comply with their description on the order; and
	17.1.2	are of satisfactory $\blacksquare \blacksquare \blacksquare$
17.2	Produc	r Network finds any defect in the quality or quantity of the ts, or a failure to comply with
	::::	[7]
17.3		r Network claims that any Product
17.4	••••	lerchant agrees concerning the defect,
17.5		erchant will repair = = = = = = = = = = = = = = = = = = =
	17.5.1	the defect is reported <b>••••••••••••••••••••••••••••••••••••</b>
	17.5.2	the defect results only from faulty design;
	17.5.3	Super Network has returned the
17.6		lerchant repairs or replaces Products, Super Network

18.	Super Network right of resale to the Merchant					
	If any Customer returns a Product to Super Network ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ,					
		• • • • • • • • • • , • • • • :				
	18.1	Super Network shall invoice				
	18.2	the consequent sum due $\blacksquare$				
	18.3	the Products shall become Consignment Stock.				
	18.4	Super Network may require the				
19.	Mar	keting arrangements				
	19.1	Super Network will list and display the Products in				
		•••				
	19.2	Subject to this agreement, Super Network is				
	19.3	Super Network may offer marketing [opportunities / promotions] to				
	19.4	The Merchant agrees that from time to time it will be necessary for ■ ■				
	19.5	Super Network agrees • • • • • • • • • • • • • • • • • •				
		19.5.1 sell any other				



#### 20. Reconciliation of stock records

20.1		
	••••	
	20.1.1	shipped to a Logistics Centre;
	20.1.2	recorded as received at a Logistics Centre;
	20.1.3	sold out of the Logistics Centre;
	20.1.4	paid for by Super Network;
	20.1.5	returned by a Customer;
	20.1.6	returned by Super Network to the Merchant.
20.2		,
20.3		

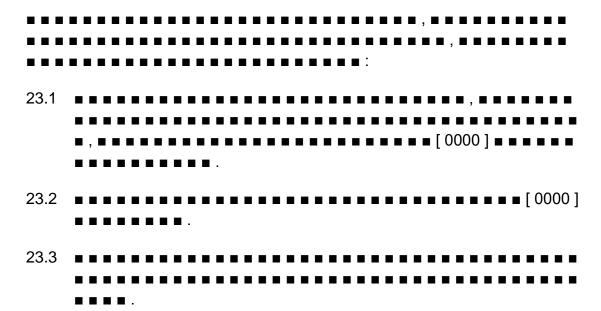
#### 21. Products recall

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 ....................................
 .....................................
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 .........
21.2
 ....................................
 .................
21.3
 ...........
 ............
 -----
21.4
 ............
 .............
 ............
 ...........
 ....................................
 -------------
```

### 22. Super Network's reports

22.5	[]:
	,

#### 23. Insurance



### 24. Mutual Indemnities

24.1			 	 			
		•			 		
	24.1.1				• • • • •		• •
	2442				••••		
	24.1.2			••••	••••	••••	
	24.1.3					••••	
				• • • • •	,		
	24.1.4				••••		••

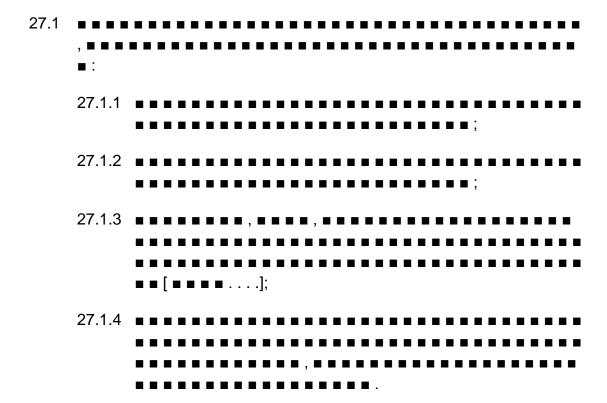
			••••	••••		•••	•••			
	•			,						
24.2.1			,							
24.2.2										•••
24.2.3										
24.2.4			• • • •		•	•■,	•••	•••		
24.2.5	••••									
		.(===								
					• • • •	• • •	•••	• • •		• • • · , •
■■■,		, ■ ■ ■	■,■■							
	••••		• • • •	■ ■ .						
claime				:	ability	y				
claime		d limi	tation	of lia	•		•••		•.•	
	24.2.1 24.2.2 24.2.3 24.2.4	24.2.1	24.2.1	24.2.1; 24.2.2; 24.2.3; 24.2.4; 24.2.5;	24.2.1	24.2.1	24.2.1	24.2.1	24.2.1	24.2.1

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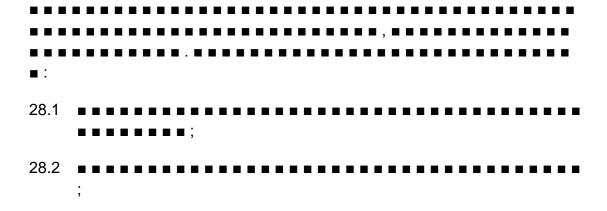
25.3	
	25.3.1
	25.3.2
	25.3.3
25.4	•••
	25.4.1 indirect or consequential loss; or
	25.4.2
25.5	
25.6	,
25.7	
Con	npliance and regulation
26.1	

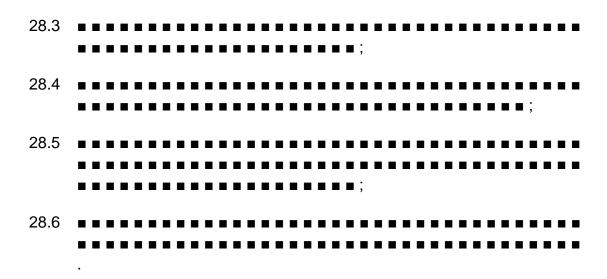
26.

#### 27. Confidential Information

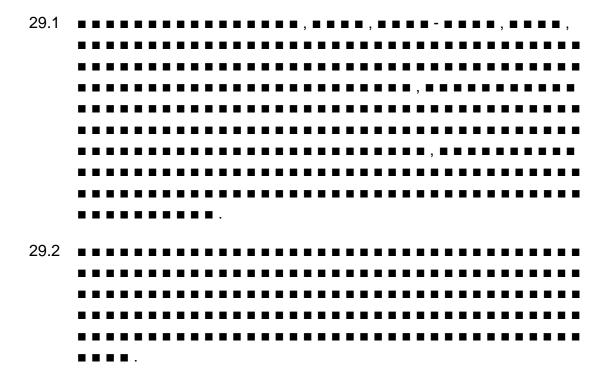


### 28. Intellectual Property

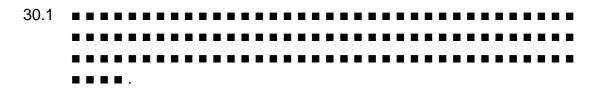


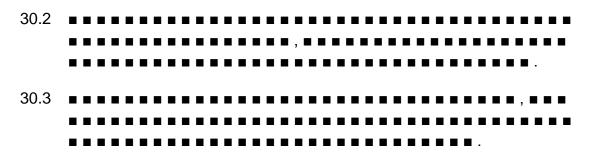


### 29. Assignment



### 30. Sale of business or change of Control





30.4 The Merchant agrees that this provision is fair.

#### 31. Duration and termination

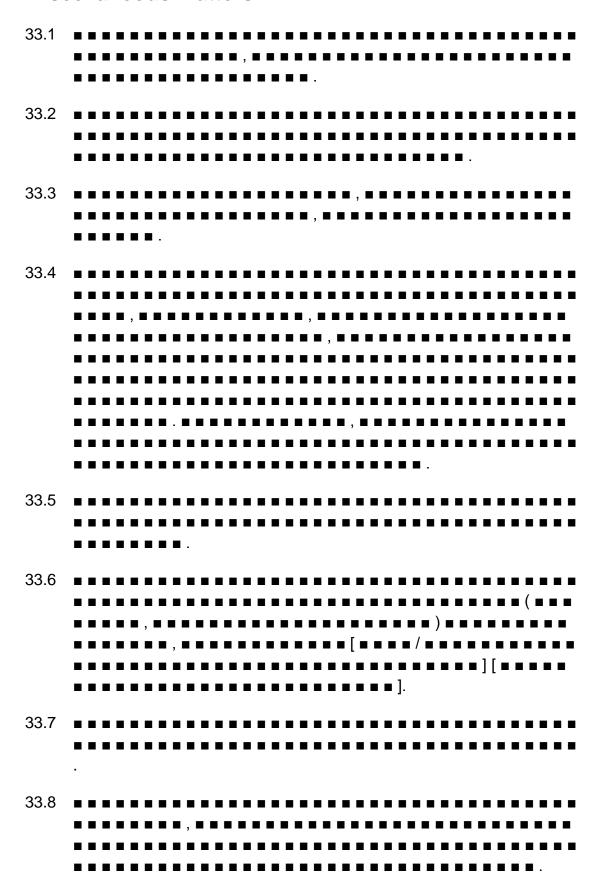
This agreement shall continue until terminated:

31.1 on [date]: OR 31.2 ---------: **AND** 31.3 --]-----------;---; 31.4 .................................... .............. ------------31.5 ................................... ............. ............. ............ 

### 32. Upon termination

............................... 32.1 ............ **.....** [12] **....** .............. ................................... ................................... ................. 32.2 .................................... ................................... .................................... --------------32.3 ............ ................................... ..................................... -----------32.4 ----------32.5 ------........................ 32.6 ................................. 32.7 ...........

#### 33. Miscellaneous matters



33.9	
	It shall be deemed to have been delivered:
	••••72••••••;
	:
	•
33.10	
33.11	
	,
33 12	
00.12	
	, [
22 12	
55.15	
	,
33 1/	
55.14	

<b>Signed by</b> / on behalf of the named parties by their representatives who personally accept liability for the proper authorisation by their respective employer or principal to enter into this agreement
For, and on behalf of [name]
print name
Witness to signature:
Name:
Address
For, and on behalf of [name]
print name
Witness to signature:

Name:

Address

Schedule 1	The Products and Prices
[ 	

# Schedule 2 Super Network's Fees

# Schedule 3 The sales training scheme

## **Explanatory notes:**

Consignment and distribution agreement: distributor version

#### **General notes**

#### This agreement

We have drawn this agreement very widely. It covers many types of business. It has been drawn to be tough on the merchant. You will see that there are a very large number of variables. You can therefore choose whether you wish to settle your agreement

Terms may overlap to give you the option of  $\blacksquare \blacksquare \blacksquare$ .

This agreement is drawn in general terms without specific reference to any industry. Net Lawman advises that you should give careful thought to

### Paragraph specific notes:

Notes numbering refers to paragraph numbers.

#### 1. Definitions

For "Confidential Information", we have provided a very full menu of items.

Depending on your business,

Changing terms for more suitable words: your business is unique. We may not have been able to provide you with defined terms which are precisely suitable to your requirement. By all means use the search/replace function in your word

.................

We use You decide to change to

Super Network Your name or abbreviated name

Service Name of your service

2.

3.

4.

5.

6.

But if you do change the defined word, make sure it applies to every use You should first decide on the contents of the document, then return to check what definitions are needed and whether they really Interpretation Leave these items in place unless there is a good reason to edit or remove. Each of these items has been carefully considered in the context of this agreement and has been included for a purpose. Relationship of parties Confirms authority of an organisation to make the deal. If you are dealing with a company and do not know who has authority to  $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$ . . . . . . . . . . . . . . . . . . . **Entire agreement** This paragraph prevents a party from later saying it was relying on some other document or web site or what was said. If other documents are to be relied . This is a simple statement for the avoidance of doubt. Of course other documents may indeed create the relationships mentioned. For example, **Warranties by Merchant** These warranties plant various responsibilities clearly with the merchant. **Appointment of Super Network** This is a summary of the agreement. We have placed  $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$   $\blacksquare$ 

#### 7. Representative liaison

	You could use this paragraph usefully to add • • • • • • • • • • • • • • • • • •
8.	Consignment Stock management
	We have provided both a specific procedure. Edit as you require. The responsibility for stock management has been passed to •••••••••••••••••••••••••••••••••••
9.	Delivery to Super Network
	There is an infinite number of possible arrangements. We have provided a very full procedure with many options, so that you can easily reduce or edit to your precise requirement.
10.	Transportation
	Select one. Delete the rest. If you are selling abroad, we recommend using an Incoterm because they will commit both sides to an accepted and firm set of rules. If you are selling only in South Africa, of course delivery arrangements will be simpler. If you use an Incoterm, make sure you delete all the alternative Incoterms and check your obligations at <a href="https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-2020/">https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-2020/</a>
11.	The Price
	The merchant's ability to change prices and specification are likely to be one of the areas of greatest concern to you.
12.	Purchase procedure: deductions and invoicing
	This and the following paragraph are best treated as alternatives. This strongly protects the distributor. The next favours the
13.	Terms of payment by Super Network for Products
10.	romine of payment by outper method for i roudets

See note on last paragraph.

14.	Fees for Super Network services
	The distributor will provide services, either regularly or ••••.•••••••••••••••••••••••••••••••
15.	Loss of, or damage to Consignment Stock
	Simple and reasonable provisions.
16.	Product returns
	A set of very strong •••••••.
17.	Products defective or not as ordered
	A comprehensive and reasonable <b>■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■</b>
18.	Super Network right of resale to the Merchant
	You will agree that this is a very powerful provision to protect the distributor.  As drawn, it means that if the
	At a more practical level, it provides a strong incentive to the merchant   I I I I I I I I I I I I I I I I I I
19.	Marketing arrangements
	We have provided a menu of possibilities.
20.	Reconciliation of stock records
	It is unlikely that the records of both distributor and merchant will agree. This provision compels them to
21.	Products recall
	Use, edit or delete.
22.	Super Network's reports
	This paragraph provides ideas for the ongoing liaison between the parties and the provision of sufficient reports to the merchant to inform him, first as ■ ■

	We have provided • • • • • • • • • • • • • • • • • •
23.	Insurance
	The purpose of this provision is to protect you
24.	Mutual indemnities
	We have provided rather far more
25.	Disclaimers and limitation of liability
	This paragraph should be read with the previous one on indemnities. It is drawn largely to protect the merchant from a claim arising from a customer of the
	<b></b>
26.	Compliance and regulation
	This provision is usually most important
27.	Confidential Information
	This is a basic provision. We assume

............

28.	Intellectual Property
	This is $\blacksquare$
29.	Assignment
	Give careful thought to this. It is not an alternative to a "Change of • • • • " •
	Consider the circumstances on both sides which may
	We give you these options:
	Neither party may assign the contract
	Action: use first option and delete second
	Both parties may assign.
	Action: delete all
	• Both = = = = = = = = = = = = = = = = = = =
	Action: leave as is.
	You may assign but not other party.
	Action: edit = = = = = = = = = = = = = = = = = = =
	• A party may • • • • • • • • • • • • • • • • • • •

Action: use second alternative and delete first.

30. Sale of business or change of Control

	The last paragraph on "assignment" does
	•
	In practice however, the personal element may be important to you or you may •••••••••••••••••••••••••••••••••••
	Of course, it also
	•••••
31.	Duration and termination
	It is always good practice to provide for termination
32.	Upon termination
	This is the time when the parties may
	•
33.	Miscellaneous matters
	A number of points which solicitors

**End of notes**