

## Distributor Agreement

GPEPL/DA/\_\_\_\_2017

Date:

**Definition of Distributor:** A Distributor is one who sells our range of product/Projects for Solar/LED and Electronic Allied Power product. A distributor can get commissions based on the product/project Cost, but cannot be considered an employee of Green Pearl Electronics Pvt Ltd.,

### Nature of Duties:

- Develop base for long-term sources of clients by using referrals, occupational, and special-interest groups to compile lists of prospects.
- Approach potential clients by utilizing mailings and phone solicitation; making presentations to groups at company-sponsored gatherings; speaking publicly to community groups on the subject of financial well-being.
- They need not have an exclusive office or business setup to be our Distributor but they should not deal with any other related product company after becoming our Distributor.

### The following category of persons can be appointed as Distributors:

Retired Officers from Government & Private | Electrical Contractors | Insurance Agents | Bank Agents | Electrical hardware shop owners | Engineers | Gas distribution Oil Dealers | Interior designers | Prefabricated Steel Builders | Real estate promoters & brokers | NGOs and any other prospective Freelancers

Dear Sir/Madam,

**Sub: Appointment as our Distributor in \_\_\_\_\_**

**Ref: Distributor Code No: TN/2017/\_\_\_\_\_**

On behalf of Green Pearl Electronics Pvt Ltd., we are very happy to appoint you as our Distributor to sell our Solar/LED and Electronic Allied Power products/Projects at \_\_\_\_\_ Chennai with effect from \_\_\_\_\_ on the following terms and conditions:-

### **I. Sales Promotion Activities**

- 1) Distributor must work and popularize the brand of our entire products in his area as per the guidance / training given by the company.
- 2) Distributor would be the face of the company but not an employee. Green Pearl Electronics Pvt Ltd., will not pay towards his employment. He can get honorarium based on the commission the product/project Cost. This will be mutually agreed between the Distributor and Green Pearl Electronics Pvt Ltd.
- 3) Distributor should familiarize products & be well equipped to handle customer need.
- 4) Distributor is responsible for conduct of regular promotion activities at Rotary & Lions clubs of his location which would help him to cater to the right target segment of customer profile for promoting Solar/LED/ Electronic Allied Appliance Products & Projects.
- 5) During the first 6 months of operation, the Distributor must meet every month Architects/ Builders / Interior Designers / Electricians / New House construction owners / any others as deemed fit and Green Pearl Electronics Pvt Limited will depute their executives and product demo's if required to explain and help Distributor to convert enquiry to order.
- 6) Distributor must keep aside sufficient budget every month from the sales made, to meet out expenses incurred in his area for sales promotion.
- 7) Distributor must work to promote & popularize Green Pearl Electronics Pvt Ltd., products in his location as per the guidance provided by Green Pearl Electronics Pvt Ltd. within the policy framework of the company.
- 8) All promotional / Advertisement contents & literature should contain the brand Green Pearl Electronics Pvt Ltd., with Logo prominently. All expenses towards this will be borne by the Distributor directly. All publicity materials such as letterhead / visiting cards / Leaflets/advertisements / banner prepared by the Distributor must have the approval of Green Pearl Electronics Pvt Ltd., before such printing or release.

### **III. Operation Details**

- 1) Distributor will be having no restriction on area / geography / territory at the given Location & be allowed to source customers for Green Pearl Electronics Pvt Ltd., range of products from domestic to Industrial to Institutional segments.
- 2) Distributor cannot appoint any sub Agent under him, within his allotted area, to secure orders on his behalf without official confirmation from Green Pearl Electronics Pvt Limited.
- 3) Distributor should always advise the company for new avenues to increase the business in his area.

- 4) Distributor or his Representative will be trained on product knowledge /Marketing.
- 5) Distributor is advised not to deal with any other competitor's product to avoid confusion in the market even if the same products are not made by Green Pearl Electronics Pvt Ltd. Deviation in this regard will immediately result in forfeiture of the appointment without any notice.

#### IV. **Binding Financial Terms**

- 1) Distributor should be deposited 1 Lakh Rupees as caution deposit.
- 2) Commission for will be varied base on the Project Cost/Product Volume in time to time.
- 3) Distributor commission for
  - a. LED Products/Project being fixed @ 20-35 % of the total billing of MRP to the customer.
  - b. Solar Products/Project being fixed @10-15%, of the total billing of MRP to the customer.
  - c. Electronic Allied Appliance Products being fixed @10-15%, of the total billing of MRP to the customer.
- 4) Taxes are applicable as per the Government Norms. Installation & transport charges are actual.
- 5) All payments are to be collected in the name of M/s. Green Pearl Electronics Pvt Limited., through Cheque/ Demand Draft or can be transferred through NEFT/RTGS. **No Cash** shall be collected by the Distributorship from the customer.
- 6) As normal terms of payment, Green Pearl Electronics Pvt Limited will expect a purchase order along with the payment of 50% of the product value from any customer sourced through the Distributorship as advance & no oral orders will be entertained at any cause.
- 7) Remaining payment of 50% to be made before the dispatch of the product from Green Pearl Electronics Pvt Limited., post which dispatch & installation would be made by the company. There will be no credit offered for sale at all.

#### V. **Next Step**

- 1) On mutual consent between Green Pearl Electronics Pvt Limited & Distributor based on the review at the end of the trial period, which will be three months from the date of agreement, the next phase of Dealership can be moved into...
  - a) Distributor who would want some more time to continue the billing & installation support from Green Pearl Electronics Pvt Limited can continue to be the Distributor as per the initial phase of first 6 months contract.

- b) Distributor who has done the complete study of the product & market as agreed in the first 6 months and able to put in efforts., but still not able to convert the business as expected will be given a chance to shake hands and exit smoothly from the business relationship as an Distributor at the end of trial period.
- 2) Distributor must explain clearly the product and it's functioning to the customers & any rejection / disapproval by customer after the supply and installation will be under sole responsibility of the Distributor and Green Pearl Electronics Pvt Limited is not liable for any such loss or damage caused and will not take return of the goods once sold.
- 3) At the end of the said period, Green Pearl Electronics Pvt Limited & Distributor will mutually review the status to understand the learning & performance.
- 4) Distributor should submit Monthly Sales Statement along with the business development activities report to the company. These reports will help Green Pearl Electronics Pvt Limited to promote the business activities in his area.

#### **VI .At the time of Agreement Signing**

- 1) As agreed mutually, First 6 months will be treated as a trial period & Distributor would be given an opportunity to learn and develop the business. But in case he is not able to move forward from the trial period and willing to reconciliation from the partnership.
- 2) Distributor breaches any of the clauses agreed as per the agreement irrespective of the duration he has been involved. Similarly, the Distributor should submit all the business related information to Green Pearl Electronics Pvt Ltd.

#### **VII. Support by Green Pearl Electronics Pvt Limited**

- 1) Green Pearl Electronics Pvt Ltd will provide during first 3 months support in terms of Training /Billing / Installation as a study period, which can be extended if required based on mutual consent.
- 2) In case of any corporate order, Green Pearl Electronics Pvt Ltd will send its seniors to clinch the deal or to make a faster action and Distributor will be paid his overriding commission depending on the value of the order.
- 3) Installation support would be provided by Green Pearl Electronics Pvt Ltd for any application based product.
- 4) Service support will be taken care of by Green Pearl Electronics Pvt Ltd for the products sold in these locations.

#### **VIII. Others**

- 1) Green Pearl Electronics Pvt Limited is at liberty to make any change in the Distributor's area of operation for better business prospects and to improve the business in the market.
- 2) Green Pearl Electronics Pvt Limited is also at liberty to appoint more than one Distributor in a city depending upon the market demand and business prospects.

- 3) Distributor is bound to deal only with Green Pearl Electronics Pvt Limited for Solar/LED/ Electronic Allied Appliance Products & Project business and would not be allowed to cater to any other brand sales in respect of solar products. Green Pearl Electronics Pvt Limited will have the authority of cancelling the Agency if Distributor is found to be engaged in any unethical business practices or selling or promoting other brand solar products (directly or indirectly). In such case no notice is required to be issued and failure to comply with this condition will result in termination of his appointment immediately and all his deposits will be forfeited without any notice.
- 4) It will be the primary responsibility of Green Pearl Electronics Pvt Ltd., and the Distributor to handle / address any repair & replacement of product in case of necessity, to the satisfaction of customers.
- 5) Any disputes arising between the Distributor and the company will be resolved by the Business Head of M/s. Green Pearl Electronics Pvt Ltd., Chennai and his decision will be final and binding which will not be contested in any court of law/arbitration.
- 6) This appointment is only for First Trial Period of 3 Months and can be renewed and extended further on mutual consent.
- 7) This agreement can be terminated without notice for any reasons as per the Termination condition.
- 8) The Authorized Distributor shall at all times, during the continuance of his Agreement offer for sale and sell the products of the Company and according to the specifications supplied by the Distributor from time to time, either generally or in any particular case, and shall not make representation or give any warranty in respect of the products other than those contained in the Company's conditions of sale as prevalent and operating at the time of the offering for sale or the sale. The Distributor shall keep the Company indemnified against the losses, damages or claims that may arise out of any unauthorized representations made by the Distributor. The Company shall not be responsible for any acts of commission or omission by the Distributor, his employees or representatives.

Kindly sign the duplicate copy of this agreement as a token of your acceptance.

We take the pleasure of welcoming your company into the family of Green Pearl Electronics Pvt Ltd., and wish you all the best in your future business dealing with Green Pearl Electronics Pvt Ltd.

Thanking you and assuring you our best of services at all times,

Yours sincerely,  
for Green Pearl Electronics Pvt Ltd.,

Authorized Signature