

CHECKLIST: DISTRIBUTION AGREEMENT

This checklist lists basic information required for a distribution agreement. It is not necessarily complete, as particular circumstances may require different/extra information. Some of the questions may require our advice for proper interpretation and response. If you would like us to draft or review a distribution agreement for you, please complete the checklist (so far as you can) and send it to us.

Supplier

Supplier's full name	
Supplier's ACN or ABN	
Supplier's registered office address	
Supplier's contact name	
Supplier's telephone no.	
Supplier's facsimile no.	
Is the supplier a sole director and sole secretary company?	Yes / No
Is the supplier the trustee of any trust? If yes, please provide the following in respect of each trust: (a) A copy of the trust deed. (b) Copies of all deeds amending the trust deed. (c) Copies of all deeds of retirement and appointment of trustee.	Yes / No

Distributor

Distributor's full name	
Distributor's ACN or ABN	
Distributor's registered office address	
Distributor's contact name	
Distributor's telephone no.	
Distributor's facsimile no.	
Is the distributor a sole director and sole secretary company?	Yes / No
Is the distributor the trustee of any trust? If yes, please provide the following in respect of each trust: (a) A copy of the trust deed. (b) Copies of all deeds amending the	Yes / No

trust deed. (c) Copies of all deeds of retirement and appointment of trustee.	
Intellectual property	
What intellectual property rights exist in relation to the products or services: <ul style="list-style-type: none">• Copyrights.• Designs.• Patents.• Trade marks.• Others.	
Who owns each of those rights?	
Distributor's territory	
What is to be the distributor's territory?	
Is the supplier permitted to sell its products and services to customers in the territory?	
Is the supplier permitted to appoint other distributors in the territory?	
Is the distributor to have the right of first refusal to other territories? If so, is it to be subject to any restrictions?	
Term & option to renew	
What is the initial term of the distribution agreement?	
Is the distributor to have an option to renew or is the agreement to continue automatically after the initial term?	
Sub-distributors	
Is the distributor to have the right to appoint sub-distributors?	Yes / No
Specifications	
What specifications of the goods or services are to be met by the supplier?	
Prices	
What prices are to be set for the supplier's products and services? (E.g., list price or list price less prescribed discount(s).)	
Do the prices include or exclude taxes	

and export/import duties?	
How much notice of price rises is required?	
If orders are to be priced individually, what procedure is to be followed?	
Orders	
Where are orders to be placed?	
What is to be the procedure (including time limits) for placing and acceptance/rejection of orders?	
By what method are orders to be placed and accepted?	
What right (if any) will the supplier have to require variation of orders?	
What right (if any) will the distributor have to vary orders after acceptance by the supplier?	
What minimum orders are required to be placed by the distributor? (Provide for each selling period, if appropriate.)	
What minimum frequency of orders is required of the distributor?	
What forward estimates of its orders is the distributor required to provide? At what frequency?	
Packaging	
How are goods to be packed? (E.g., number of items to a carton; style and design of packaging.)	
Delivery	
What is the time allowed for delivery of orders?	
Where are the goods to be delivered or services supplied to the distributor? E.g.: <ul style="list-style-type: none"> • Ex factory. • To specified port or airport. • On board ship/aircraft. • Owner's premises. • Elsewhere. 	
Title and risk	
When are title to and risk in goods to	

pass to the distributor?	
Licences	
Who is to obtain manufacturing, export and import licences, if required?	
Payment	
<p>Who is to pay the cost of:</p> <ul style="list-style-type: none"> • Packaging. • Shipping. • Insurance. • Export/import/other licences. • Customs procedures. • Taxes and duties. • Storage. • Delivery. 	<p>Supplier / Distributor</p> <p>Supplier / Distributor</p> <p>Supplier / Distributor</p> <p>Supplier / Distributor</p> <p>Supplier / Distributor</p> <p>Supplier / Distributor</p> <p>Supplier / Distributor</p> <p>Supplier / Distributor</p>
<p>What are the terms of payment for goods or services? E.g.:</p> <ul style="list-style-type: none"> • Full prepayment. • Deposit and balance. • Payment on or after delivery. • Place of payment. • Method of payment. • Letters of credit. 	
What is to be the consequence of delay in payment?	
Marketing	
What marketing activities (if any) are to be conducted by the supplier and the distributor together?	
<p>What marketing or marketing support is the supplier to provide? E.g.:</p> <ul style="list-style-type: none"> • Advertising and promotion. • Brochures and other sales aids. • Support staff. • Periodic visits. • Financial contribution. 	
What minimum standards (if any) are required of the distributor with regard to:	

<ul style="list-style-type: none"> • Sales staff. • Sales effort. • Advertising and promotion. • Representations at industry shows, etc. • Record-keeping. • Reporting to the supplier. • Financial contribution to promotion. 	
Training	
What training is the supplier to provide to the distributor or its customers?	
Where is the training to be undertaken and at whose cost?	
What training is the distributor required to undertake?	
Where is the training to be undertaken and at whose cost?	
Stock	
What minimum stock requirements (if any) must the supplier maintain?	
What minimum stock requirements (if any) must the distributor maintain?	
For how long must the supplier maintain a stock of spare parts?	
Support	
What technical support services is the supplier to provide?	
Warranties/limitation of liability	
What warranties is the supplier to provide?	
What implied warranties (if any) are to be excluded?	
What restrictions (if any) are there to be on the supplier's liability for its products or services?	
Complaints	
What complaint investigation and resolution systems are to be provided by the supplier and the distributor?	

What restrictions (if any) are there to be on the making of claims against the supplier?	
Termination	
How much notice is required to terminate the distributorship after the end of the fixed term?	
How much time is either party to be allowed to remedy breaches of the agreement before the other party is able to terminate the agreement?	
In case of termination of the agreement, what are the supplier's and the distributor's respective rights regarding the distributor's stock of the products?	
Other terms	
Which state's laws are to govern the agreement?	
Are there any other terms that have been agreed between the supplier and the distributor?	