

# **DISTRIBUTOR AGREEMENT v4.2**

## **ARTICLE I**

### **APPOINTMENT OF DISTRIBUTORSHIP**

- SEEED permits the company acting as NONEXCLUSIVE distributor of the SEEED products and services and services listed in the SEEED official website ([www.seeedstudio.com](http://www.seeedstudio.com)) on condition that the distributors agrees all the articles in this paper.
- SEEED reserve the right to directly or indirectly sell all products and services and services to other distributors and end customers.

## **ARTICLE II**

### **DISTRIBUTOR'S RESPONSIBILITIES**

Distributor should agree the following terms so that this distributorship will be effective.

- Actual retail price should be NO LESS than 70% of SEEED manufacturer's suggested retail price of the same product or service.
- Minimum of per wholesale order is \$250; Place at least ONE wholesale order in a Quarter. (Not applicable for the service distribution)
- Distributor should maintain sufficient sales force in order to adequately serve the Territory.
- Distributor should use its best efforts to boost the sale of the products and services and provide adequate support.
- Distributor should not assign or sublicense any of its right or duties under this Agreement to any third party without the permission of SEEED.

## **ARTICLE III**

### **BUYER-SELLER RELATIONSHIP**

The distributor and its employees should not be considered as agents or representatives of SEEED. Instead, the relationship between the distributor and SEEED under this Agreement intends to be that of buyer and seller.

## ARTICLE IV

### PRODUCT, SERVICE, PRICE, DISCOUNT

#### Product and Service

- Some products and services may only have a retail price, but they still are available to purchase by distributors, such as: 1. Newly released beta version products and services; 2. Collaborated Products and services; 3. Externally-Sourced Products and services;

- SEEED reserves the right, in its sole discretion to add items or delete items from the product catalogue, and to modify or enhance any of the products and services or their features at any time, and to discontinue any of the products and services. Concerning the information aforementioned, SEEED will notify the distributor in the monthly newsletter.

#### Price

- All wholesale prices of Products stated are FOB Shenzhen.
- Wholesale Prices are NOT including transportation costs.
- Wholesale Prices are NOT including import duties, government permit fees, license fees, customs fees and other similar fees which can be varied across countries. Distributor should take full responsibility for all of them.
- As for the information of the price modification, SEEED will notify the distributor in the monthly newsletter.

#### Discount

- 30% gross profit rate in average for wholesale order. (Some products and services are listed with different discounts, please subject to the prices listed in the website [www.seedstudio.com](http://www.seedstudio.com).)
- Grade bonus according to last quarter wholesale order is listed below:

Amount of quarterly purchase	Bonus
\$1,000 – 2,000	5% of the purchase amount
\$2,001 – 6,000	Each additional \$1,000 based on \$2,001: each additional \$100 based on \$200

\$6,001 - 10,000	Each additional \$2,000 based on \$6,001: each additional \$200 based on \$600
\$10,001 - 50,000	Each additional \$5,000 based on \$10,001: each additional \$500 based on \$10,000
Above \$50,000	10% of the purchase amount

\*The bonus policy was implemented from June 1<sup>st</sup>, 2014, it is calculated based on the total amount of your last quarter orders \*

For example: If Distributor A's quarterly purchase = \$1,500, then his bonus = \$75 If Distributor B's quarterly purchase = \$3,000, then his bonus = \$300; if \$4,000, then his

bonus = \$400 If Distributor C's quarterly purchase = \$7,000, then his bonus = \$600; if \$8,000, then his

bonus = \$ 800; If Distributor D's quarterly purchase = \$23,000, then his bonus = \$2,000; if \$27,000,

then his bonus = \$2,500 If Distributor E's quarterly purchase = \$52,000, then his bonus = \$5,200

- Please note that the bonus coupon given is only valid for 6 months. The term of validity of coupon should be within the validity of distributor permit.

## **ARTICLE V**

### **PAYMENT**

#### **Payment Term**

Payment Term is Payment before Delivery. SEEED reserve the right to revoke any credit extension in its sole discretion.

#### **Payment Methods**

- •We accept both the PayPal and Wire Transfer.
- •Wire Transfer is suggested for order over \$500.
- •For order over \$2000, Wire Transfer is preferred. In this circumstance, 3% extra discount will be applied for the subtotal (The subtotal considered is the total excluding the shipping cost, and will be calculated at checkout) as an incentive to pay by Wire Transfer.

- Please allow 3-5 business days for international wires to clear. A record of the transaction from your bank is not sufficient to release an order, but may help to shorten the delivery time.

## **ARTICLE VI**

### **SUPPORT**

- SEED shall, upon request, assist the distributor on advertising, sales promotion, and public relations campaigns, including providing distributor with the trademarks, trade names, logos, instruction of the products and services, and necessary technical support and assistance.
- Dedicate stock for popular products and services.
- Distributor page link: SEED will add the distributor's logo and related website link into the Distributor page after your application approved and initiate wholesale order done.
- Regularly newsletter: SEED shall send the latest information to the distributor, such as new arrival and related promotion materials, product upgrade plan, sold-out/out-of-stock inventory situation, price modification, sales discount, distributor special offers, etc.

## **ARTICLE VII**

### **DELIVERY**

#### **Purchase Orders**

- www.seedstudio.com distributor channel is especially for wholesale order, and distributor may enjoy further discount in there. Obviously, there is MOA (minimal order amount) on this channel, minimum of per wholesale order is \$250. Moreover, place at least ONE wholesale order in a quarter. Additional request such as the desired shipping method should be specified in each order.

#### **Delivery Time**

- Delivery date can be varied. Basically, it depends on the payment status of the distributor.
- SEED normally processes a wholesale order within 3 working days.
- SEED system will indicate the delivery date of distributor's wholesale order.

#### **Shipment**

- All shipments of SEEED shall be made FOB Shenzhen and liability for loss or damage in transportation, or thereafter, shall pass to distributor upon our delivery of products and services to a common carrier for shipment.
- Distributor should bear all costs of transportation and insurance and should promptly reimburse SEEED if we prepay or somehow pay for such expenditure.
- Orders normally are shipped with UPS, Fedex or DHL. We also provide the other express service you may prefer, such as TNT, and EMS.
- No orders will be processing for delivery or pickup until payment has been cleared.
- No orders will be shipped freight collect, NO EXCEPTIONS. If you have an express account, we will gladly use it for the delivery expenses.

## **ARTICLE VIII**

### **WARRANTY**

#### **Products Warranty**

SEEED guarantees all products to be free from defects in material or workmanship under normal use and service for a period of TWO years from the date of delivery. If any defect occurs within this scope of the warranty, please notify us immediately, we will send the replacements or refund the payment and afford the cost.

#### **Misuse**

- Warranty will be invalidation if the products were not using or operating in a proper way. In this case, SEEED will not take responsible for it.
- SEEED will not be responsible for any extra warranty which provided by a distributor to an end user.

## **ARTICLE IX**

### **CONFIDENTIAL INFORMATION AND PRIVACY**

#### **Confidential Information**

SEEED and the distributor should both keep the information, reports and records pertaining to this distributorship in confidential manner.

#### **Privacy**

- SEEED is committed to secure your privacy.

- SEEED will take reasonable technical and organizational precautions to prevent your personal information from loss and misuse. However, data transmission over the Internet is inherently insecure, and we cannot guarantee the security of data sent over the Internet.

- You are responsible for keeping your password and user details confidential. We will not ask you for password.

## **ARTICLE X**

### **DURATION AND TERMINATION**

#### **Duration**

This Agreement shall be effective for one year from the effective date of this Agreement, and will be automatically extended. There will be a written notice if the expiration date is about to change.

#### **Termination**

- This Agreement shall continue in effect from the effective date hereof until terminated by either party at will, with or without cause, upon notice in writing given by mail at any time.

- SEEED will review a Distributor at the end of every quarter. At that time, SEEED will verify that the distributor is satisfactorily upholding the obligations of ARTICLEII. If SEEED determines, in its sole and unfettered discretion, that a distributor is not fulfilling its obligations of ARTICLEII, or any other sections in this Agreement, reasonable action may be taken, up to and including termination of the distributorship.

- Place at least ONE wholesale order (over \$250) in a quarter. A warning letter will be sent to those which distributors cannot reach this minimum. In addition, another warning letter as an ultimatum will be sent if a distributor cannot achieve this minimum for 2 quarters in a row.

- If a distributor cannot provide an acceptable reason after receiving two warning letters, SEEED may consider your company either cannot, or do not want to maintain the distributorship with us for one reason or another, and you may be completely removed from SEEED's distributor list.

## **ARTICLE XI**

### **GENERAL CONDITIONS**

#### **Dispute Solution.**

- Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by China International Economic and Trade Arbitration Commission (CIETAC) in accordance with its arbitration rules in force at the time of application which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be (3) Three, unless otherwise as may be agreed by both parties subsequently. The seat, place, of arbitration shall be in Shenzhen, China. The language to be used in the arbitral proceedings shall be English .The arbitral award is final and binding upon both Parties. The arbitration fees shall be borne by the losing party except otherwise awarded by the arbitral tribunal.
- This Agreement shall be governed by and construed in accordance with the laws of People's Republic of China, except that body of laws controlling conflict of laws.
- This Agreement is binding on the parties and their successors and assigns.
- Severability. If a provision in this Agreement is held to be invalid or unenforceable, then the parties will exclude the invalid or unenforceable provision from this Agreement and the remaining provisions will remain in full effect between the parties.

#### **NOTE**

Distributor policy might be adjusted accordingly and suggestions would be always welcomed.



**seed**  
Grow the Difference