

DISTRIBUTOR AGREEMENT

MEMORANDUM OF AGREEMENT entered at _____ this _____ day of _____ 20_____.

Between

M/s Advantec Wheels Private Limited through its Director **Mr Jasneet Singh S/o Mr Sukhbir Singh**, having its work office at: Lane no.4 phase-1, SIDCO Industrial Complex, Bari Brahmana, Samba, J&K-181133, and Corporate Office at C-65, Phase II, Mayapuri Industrial Area, New Delhi West, Delhi – 110064,

AND

M/s _____ represented by its Sole Proprietor / duly Authorised Managing Partner / Managing Director Mr/Ms _____ S/o / D/o / W/o / Mr _____ an Indian inhabitant, aged _____ years, having a permanent address at _____ and presently residing at _____ having Trading Business(Hereinafter caller "DISTRIBUTOR" which expression shall mean and include heirs, executors, administrators, and legal representatives of the sole proprietor/ Partnership Firm/Company) of the other part.

WHEREAS,

1. The company is wholly owned and is engaged in the Manufacture and selling of automobiles for 4-wheeler passenger Vehicle aluminium alloy Wheels.
2. The company appoints DISTRIBUTORS for the sale of the products through

Wholesale outlets.

3. The party of the Other Part is a merchant/trader with product familiarisation, and experience in the same line of business with a sound financial background.
4. The other party had approached the Company for the appointment as the DISTRIBUTOR to purchase and distribute the products wholesale.
5. The Company has agreed to appoint the party of the Other Part as the DISTRIBUTOR to buy and distribute certain identified products on a wholesale basis on the terms and conditions set out herein. The DISTRIBUTOR is registered with the appropriate GST Authority at _____.
6. Local GST Certificate No. _____ dated _____.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. DISTRIBUTOR:

1.1 The agreement shall be deemed to have commenced from _____ 20__ and shall remain in force for 1 year at the address _____, and the party of the Other Part agrees to act as the DISTRIBUTOR of the Company and for the products or class of products of Company as set out in the SCHEDULE II hereunder (referred to as the Products/Goods) on the terms and conditions stipulated hereunder. It is being understood between parties that the Company retains the right to add to or remove specified products from the products listed in the said SCHEDULE-II.

1.2 To maintain the official Distributorship agreement with the Company, the distributor must have a minimum recurring order of a total of 100 sets/ 400 units a month with a MOQ of 50 sets for their respective territory _____.

1.3 The Company may at its sole discretion sell directly in the Distributor's Territory via its online E-commerce retail store site www.advantecwheels.com or via its Franchisee stores in the distributor's territory.

1.4 If the distributor is unable to perform for up to 3 consecutive months the company has the right to terminate the agreement with the distributor.

2. BASIS OF THE AGREEMENT:

The relationship between the parties shall be that of seller and buyer not that of principal and agent. The transaction is on a principle-to-principle basis notwithstanding anything to the contrary that may be contained in this agreement or any correspondence or letters between the parties. The Distributor hereby agrees with all the terms and conditions laid down with this agreement and the accompanied SCHEDULEs of the Company. The Company holds the right to his discretion to make any suitable changes in their SCHEDULE occasionally. Accordingly, the DISTRIBUTOR shall at no point hold himself out as an agent of the Company and the Company shall not be responsible for any act omission or commission on the part of the DISTRIBUTOR.

3. RIGHT TO APPOINT OTHER DISTRIBUTOR:

Only under the condition of underperformance (is unable to perform for up to 3 consecutive months)of the current distributor of their respective territory, the Company has the right to appoint another Distributor in respect of all or any products in the town in which the Distributor is situated and operated as the Company may deem expedient and necessary.

4. ORDER PLACEMENT/ACCEPTANCE:

4.1 The DISTRIBUTOR shall place the order 15 days in advance with the Company for the supply of the products with remittance as provided in clause 8 herein.

- 4.2 The MOQ of 50 sets/ 200 wheels ordered for each line shall be in multiples of a standard pack size of such product which is considered reasonable.
- 4.3 Receipt by Company of remittance against an order shall neither imply acceptance of such order nor shall it imply Company has agreed to sell the Products at a price other than the price ruling on the date of dispatch by Company.
- 4.4 The prices will be revised on an annual basis by the Directors of the company Advantec Wheels Private Limited and will be uploaded on the website as well as in SCHEDULE II.
- 4.5 The date of validity to be a part of SCHEDULE II for the prices will be 1 year.
- 4.6 All orders for the Products so placed by the DISTRIBUTOR with the Company shall be subject to acceptance by the Company. If an order is accepted, the Company may deliver the Products by such mode of transport, at such times, in such convenient lots and quantities, as the Company shall in its discretion decide. Company shall be entitled at any time after acceptance of an order to cancel the same in whole or in part even though it shall have been partly executed. For this purpose, each lot dispatched against an order shall be deemed a separate contract and the failure of dispatch of one lot shall not vitiate or affect the contract as to other lots. The order shall be deemed to have been accepted by the Company on the date of dispatch and only in respect of the goods dispatched.
- 4.7 To maintain the official Distributorship agreement with the Company, the distributor must have a minimum recurring order of a total of 100 sets/ 400 units a month with a MOQ of 50 sets for their respective territory
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5. TERMS AND CONDITIONS:

Sales by the Company of the Products to the Distributor shall be subject to the conditions of this Agreement and also subject to such other terms as may be specified on the Company's official order forms from time to time in SCHEDULE-I.

6. PRODUCT DESCRIPTION AND PRICING:

6.1 The sale of products by the Company to the DISTRIBUTOR shall be at the rates chargeable as per the Company's price list applicable on the date of dispatch.

6.2 Each lot dispatched against an order shall be invoiced at the Company's prices to DISTRIBUTOR at the prices ruling on the date of dispatch which when so invoiced shall be binding on the DISTRIBUTOR without any previous notice in that regard. Company shall be entitled to vary the prices of the products at any time up to the date of dispatch.

6.3 The Distributor shall get a discount on the selling prices, as may prevail from time to time on achievement of the sale targets, as mentioned in SCHEDULE-II annexed hereto. However, the discount accrued on sales made by the Distributor as per the sales target and any short credit shall be passed on to them at the end of this period. Conversely, in case of a higher discount being offered in the invoice than the entitlement of the Distributor, the same shall be recovered from them in the form of a Debit note to be raised by the company.

6.4 All prices of goods mentioned in SCHEDULE II are delivered prices.

7. SALE OF PRODUCT/ MRP:

Products purchased from the Company under this Agreement are sold monthly unless otherwise agreed upon in writing by both parties. The mode of payment In advance shall be via cheque, credit card, wire transfer, or other methods, at the

Distributor's discretion. All sales are final unless otherwise agreed upon by the parties.

8. PAYMENT:

8.1 The sale of the goods by the Company shall be on payment by RTGS/ Demand Draft/cheque against supplies made as may be required by the Company from time to time at the discretion of the Company.

8.2 To maintain the official Distributorship agreement with the Company, the distributor must have a minimum recurring order of a total of 100 sets/ 400 units a month with a MOQ of 50 sets for their respective territory
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8.3 Such payment against dispatch shall always be of the essence to the transaction, which the Company may accept to execute in whole or in part on receipt of the written or oral order of supply from the DISTRIBUTOR.

8.4 The distributor has to respect his/her sales territories through his various sales modes, failing to do so will terminate the contract.

9. DISPATCH:

9.1 Goods will be dispatched by road according to the availability and suitability of the mode of transport at the Company's discretion. Every delivery of product in perfect condition is the company's sole responsibility and all such costs will be borne by the company itself.

9.2 The date of dispatch will always be deemed to be the date appearing on the carrier receipt issued to the Company.

9.3 The company agrees to ship products to the Distributor via their common carrier. The shipping costs are included in the total price of each order.

9.4 The rest of the dispatch pattern will be followed as per SCHEDULE III (Shipping and Delivery Policy) of the Company.

10. DELIVERY:

10.1 Delivery under such contracts of sale by the Company shall be deemed to be sufficient if the Company sends to the DISTRIBUTOR a lorry receipt delivery order or other document entitling the DISTRIBUTOR to obtain delivery of the products. The date of delivery shall mean the date of dispatch as appearing on such lorry receipt delivery order or such other document if that be the mode of delivery adopted in a particular case, or otherwise the actual date of delivery.

10.2 The distributor must ensure in writing via the document provided by the company the quality of the product at the time of unloading of goods.

11. CANCELLATION/ RETURNS/CLAIMS POLICY:

11.1 Due to significant discounts, all sales are final and the Company will not accept returns of any Products, except as provided in subsection (11.2) below.

11.2 The remaining condition for Cancellation, return and claim should be as per SCHEDULE-IV of the company.

12. CLAIM ON QUALITY:

12.1 The DISTRIBUTOR shall not be entitled to make any claim for an allowance under SCHEDULE- (IV), warranty and return policy.

12.2 The Distributor shall not make any commitment or admit any quality claim on behalf of the Company. All claims and/or disputes concerning the Company's said goods will be investigated and decided upon by the accredited officer/ representatives.

13. PRODUCT WARRANTY AND GUARANTEE:

All manufacturing defects or other defects as per SCHEDULE (IV) Warranty and Return Policy shall be replaced by the company, and the warranty of the products shall run directly from the distributor to the purchaser of the products, as long as the original purchaser/consumer (deemed to be the date the wheels are received by the purchaser/consumer) owns the wheels.

14. DISTRIBUTOR SERVICE & SUPPORT:

The DISTRIBUTOR shall be primarily responsible for markets/territories covered by his operation to provide prompt, equitable, and effective distribution services to the customers. Such services may also include his undertaking sales promotion window display, attending to trade complaints, and other related activities and services as may be advised by Advantec Wheels Company from time to time on mutually agreed terms and conditions.

15. BUSINESS PROMOTION:

In the terms of the present agreement, the DISTRIBUTOR reiterates his commitment to work in promoting the Company's business, brands, products, and goodwill. In furtherance of the same, the DISTRIBUTOR agrees to support and assist the Company in the brand/product promotion exercises undertaken from time to time, through sales promotion exercises/schemes/ contests/ trade discounts/ and also upon Company instructions to build and/or maintain a prominent display of all brands of Company's products in his premises and the markets covered by the DISTRIBUTOR. Distributor is required to be equally financially invested as the company to promote brand awareness/ sales in their respective territories.

16. INFORMATION AND RECORDS:

The DISTRIBUTOR will faithfully and correctly, in specified formats, maintain and furnish all such information and data as may be required by the Company from time to time to track sales, consumer demands/preferences, ascertain overall market positions, the sales performance of the Company's products and their potential, etc. and would further help Company in formulating its overall sales and marketing policies.

17. SECRECY / CONFIDENTIALITY:

17.1 The DISTRIBUTOR undertakes that all information, arising out of and in the course of this agreement, about the sale of the products, including formal records, summaries, and reports as mentioned above, shall be treated as confidential information. The DISTRIBUTOR shall use its best endeavors to ensure that the employees who have authorized access to such information shall keep it confidential and secret.

17.2 The DISTRIBUTOR further undertakes that the DISTRIBUTOR shall take all reasonable precautions to protect the confidential information and neither the DISTRIBUTOR nor his employees who have access to the confidential information shall use, produce, copy, translate, sell, distribute in whole or any part or summation of the confidential information except to the extent necessary for performance of their duties under this agreement.

17.3 The DISTRIBUTOR or his employees and/or associate claiming under, or through the DISTRIBUTOR shall not copy, reproduce, publish, sell, and/or distribute in whole or in any part or summation of such Proprietary/Confidential information without prior written permission of Company.

17.4 The DISTRIBUTOR acknowledges that any breach of such condition would injure the Company irreparably and that monetary damages alone would not

sufficiently remedy such breach. In addition, the Company shall be entitled to its rights of specific performance and injunctive relief under the terms of this Agreement, which relief would be without prejudice to any other rights and remedies available under the law.

17.5 The other term under this head will be governed as per the SCHEDULE-V (Privacy Policy) of the company.

18. TERM OF AGREEMENT AND RENEWAL:

18.1 The parties agree that this Agreement may be modified or updated, with notice provided to the Distributor under the terms of this Agreement. The parties agree that additional terms and conditions may apply to specific products or sale channels, as outlined by the Company in a separate agreement.

18.2 This Agreement constitutes the entire understanding between the Company and Distributor regarding the sale of products and supersedes any prior agreements or understandings. Both parties agree to abide by the terms outlined in this Agreement and further agree that no modifications may be made without prior written consent.

18.3 Contract renewal will be offered by the company to the distributor on yearly based on the past year's performance.

19. TERMINATION:

19.1 This agreement may be terminated by either Party without assigning any reason by giving 30 days written notice to the other party or in the event of a breach /violation of any of the terms, conditions, and obligations OR by Mutual consent.

19.2 Company can terminate this agreement on the happening of any one or more of the following events with respect to the distributor:

- i. In case of an individual or sole proprietary concern, on the death of the individual or sole Proprietor or any change in the status or ownership or conversion to a partnership firm or any other form of trading.
- ii. In the case of a Partnership firm, a change in the constitution of the firm by death dissolution, taking in a new partner, or dispute among partners inter-se or otherwise changing the structure/management of the DISTRIBUTOR business without notice to the Company.
- iii. The DISTRIBUTOR business closes down or wound up.
- iv. In the event of the DISTRIBUTOR being, in the opinion of the Company (whose opinion shall be final), incapable of complying with this Agreement or in the event of the DISTRIBUTOR becoming or being adjudged insolvent or making a composition with his creditors or being a company going into liquidation either voluntary or compulsory or in the event of the financial position of the DISTRIBUTOR at any time during the tenure of this Agreement being considered by Company (whose opinion shall be final) to be unsound.
- v. In the event of the commission by the DISTRIBUTOR of fraud on the Company in connection with this agreement or upon the DISTRIBUTOR failing to carry out any stipulation contained in this agreement for _____ days after being required in writing to do so by the Company.
- vi. In the event of any lawful authority ordering the Company to terminate this agreement.
- vii. In the event, the DISTRIBUTOR commits any violation of the application of statutory rules or regulations.
- viii. In the event of an abandonment of the present agreement which would be reflected by failure to place an order for stocks to ensure compliance of service

requirements under the terms of this agreement for a period of excess of ____ months.

- ix. In the event of any representation, or declaration made by the DISTRIBUTOR to the Company being found to be incorrect or in the event of the DISTRIBUTOR failing to make full disclosure of the current financial position or status of the business or other pertinent details at the time of appointment or failing to intimate to Company particulars of any change in the status, constitution, management of the DISTRIBUTOR business.
- x. In case of 3 months of continuous non-performance of sales targets.

19.3 Expiry or termination howsoever occasioned shall be without prejudice to the rights and obligations already incurred before the date of such expiry or termination and the accounts between the parties shall be settled.

19.4 The DISTRIBUTOR shall not be entitled to any compensation or damages from the Company for termination howsoever occasioned.

20. TRADEMARK:

20.1 The DISTRIBUTOR should not use the trade name, logo, trademark, design, or copyright belonging to the Company or of which Company is the proprietor/owner thereof in any way that might challenge or damage the validity or use of trade name, trademark, design, copyright wrongfully causing injury to Company's business, reputation & goodwill.

20.2 The DISTRIBUTOR shall not use adopt/utilize any of the Company's logo, trademark, design, or copyright as a part of any trade name or its or any other corporate name on any other product or literature, pamphlet, or except as otherwise expressly the authorized in writing by Company. The DISTRIBUTOR shall not combine as a unitary or composite mark any other trademark with any trademark or use any other trademark on product labels, wrappers, advertising,

or promotional materials approved, (except as may be required by and/or) in writing by the Company.

20.3 The DISTRIBUTOR shall indemnify, keep indemnified, and keep the Company harmless from and against any claims/ losses/ damages/ expenses or liabilities of any nature whatsoever caused by the use adoption of the logo, trade name, trademark, design, copyright.

21. DISTRIBUTOR EMPLOYEES:

21.1 It is expressly agreed and understood between the parties that all the staff and personnel employed by the DISTRIBUTOR are and at all times remain as the DISTRIBUTOR's employees. Such persons engaged by the DISTRIBUTOR in connection with the performance of the obligations under this Agreement, shall at no time become or be deemed to have become the Company's employees, agents, representatives, or servants.

21.2 As their clear and rightful employer, the DISTRIBUTOR shall have exclusive liability and responsibility for compliance with requirements under various enactments, laws, and other obligations concerning these employees.

21.3 The DISTRIBUTOR undertakes to keep the Company fully and completely harmless and indemnified against any claim demand made on the Company by the DISTRIBUTOR employees or any statutory authority and/or government.

22. INSURANCE:

22.1 Transit Insurance of the materials dispatched from the company's factory to the Distributor's place is to be arranged by the Company.

22.2 The Distributor, on receipt of transit damaged materials, if any shall lodge an insurance claim immediately and on the same day, as per the system and procedure suggested by the company. In the event of failure on the part of the

Distributor to lodge an insurance claim, the Company shall not be responsible for any loss/ damage of the goods suffered in transit.

22.3 The distributor shall maintain insurance policies covering the risks for which it is obligated to provide indemnification. If requested by the Company, the Distributor shall provide the Company with certificates of insurance evidencing that the insurance coverage required to be continually maintained in force is in force.

23. DISTRIBUTOR TO RETURN BOOKS:

On the termination of this agreement, the DISTRIBUTOR shall forthwith return to the Company all books, documents, papers, software packages, industrial property, and other property of the property in possession of the DISTRIBUTOR.

24. NOTICES:

All notices, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third business day after mailing if mailed to the party to whom notice is to be given by first class mail, postage prepaid, certified, return receipt requested, addressed to the party at the address listed at the end of this Agreement. Either party may change addresses for 3 purposes of this paragraph by giving the other party notice of the new address in the manner described herein.

25. INDEMNIFICATION:

25.1 The company offers a limited lifetime and two years complete warranty on all its products.

25.2 Each party will defend, indemnify, save, and hold harmless the other party, its officers, directors, agents, and employees from any third-party claims,

demands, liabilities, judgments, damages, costs, or expenses, including reasonable attorney's fees ("Liabilities"), resulting from the indemnifying party's breach of any material duty, representation, or warranty contained in this Agreement, except there shall be no obligation to indemnify, defend, save and hold harmless where Liabilities result from the gross negligence or knowing and wilful misconduct of the other party.

26. NO WAIVER:

Any indulgence shown by the Company or failure on the part of the Company to enforce at any time the provisions of this Agreement shall in no way be construed to be a waiver of such provisions or affect the Company's right to enforce such provision any time thereafter. If the DISTRIBUTOR is a partnership firm all the partners shall be jointly and severally liable in respect of all dues, liabilities, and transactions arising from this agreement or in connection therewith.

27. JURISDICTION:

All disputes between the parties, relating to or arising from this agreement shall in the first instance resolved through mutual discussions by the parties. Any unresolved disputes shall be referred to a mutually appointed Sole Arbitrator. However, in case no agreement is reached on the appointment of a Sole Arbitrator, the dispute shall be resolved by an Arbitral Tribunal consisting of three Arbitrators, each party nominating one Arbitrator and the two Arbitrator appointing the third Arbitrator, who shall act as Umpire. The arbitration shall be conducted in **New Delhi** and the award passed by the Arbitral Tribunal shall be final and binding upon the parties. If the dispute, remains unsolved, then the enforcement of rights of either party under or in respect of this agreement shall be instituted in and tried by a competent court only in the City of **New Delhi** and

in no other court. The Distributor further expressly agrees to submit to the jurisdiction of such court.

28. AGREEMENT IN DUPLICATE:

The agreement is executed in duplicate the original of whom will remain with the Company and the duplicate will stay with the DISTRIBUTOR.

By signing this Agreement, the Company represents that they are legally authorized to bind _____ (Distributor) and agrees to be bound by all the terms and conditions outlined in this document along with attached SCHEDULE I to V.

IN WITNESS whereof the parties hereto have hereunto duly executed these presents the day, month, and year first above return.

Encl.: SCHEDULE I (Terms & Conditions Policy), SCHEDULE II (Product & Pricing Policy), SCHEDULE III (Shipping and Delivery Policy), SCHEDULE IV (Warranty and Return Policy), and SCHEDULE V (Privacy Policy).

Signed sealed and delivered by,

Advantec Wheels Private Limited

in the presence of: _____

Signature: _____

Name: _____

DIRECTOR / GENERAL MANAGER,

Witness:

1. _____

2. _____

3. _____

Signed sealed and delivered by the
Distributor,

M/s _____

through its Sole Proprietor/ Managing Partner

SOLE PROPRIETOR/MANAGING

PARTNER _____

Signature: _____

Name: _____

Witness:

1. _____

2. _____

3. _____

SCHEDULE II – Product and Pricing:

Design	Series	Wheel size	PCD Offered	Distributor Price (per set)
Black Widow	Q	16 inches	4x100	Rs. 30,750 (FP/MC Finish)
			4x108	Rs. 38,450 (EP Finish)
		17 inches	4x100	Rs. 38,450 (FP/MC Finish)
			4x108	Rs. 48,100 (EP Finish)

Design	Series	Wheel Size	PCD Offered	Distributor Price (per set)
Spyder	P	16 inches	5x100	Rs. 30,750 (FP/MC Finish)
			5x108	Rs. 38,450 (EP Finish)
			5x112	
			5x114.3	
		17 inches	5x100	Rs. 38,450 (FP/MC Finish)
			5x108	Rs. 48,100 (EP Finish)
			5x112	
			5x114.3	

Design	Series	Wheel Size	PCD Offered	Distributor Price (per set)
		18 inches	5x108	Rs. 46,150 (FP/MC Finish)
Kohinoor	PX	18 inches	5x108 5x110 5x110 5x112 5x112 5x114.3 5x114.3	Rs. 46,150 (FP/MC Finish) Rs. 57,700 (EP Finish) Rs. 57,700 (EP Finish)

		20 inches	5x108 5x110 5x112 5x114.3	Rs. 61,550 (FP/MC Finish) Rs. 76,900 (EP Finish)
		22 inches	5x108 5x112 5x114.3 5x120	Rs. 76,900 (FP/MC Finish) Rs. 96,150 (EP Finish)

Finishes:

1. Element Painted Finishes (EP) -
 - EP Clear Sheen Silver
 - EP Clear Radiant Gold
 - EP Clear Blaze Red
 - EP Clear Nebula Blue
 - EP Clear Electric Lime

2. Fully Painted Finishes (FP) -

- FP Clear Sheen Silver
- FP Clear Cosmic Grey
- FP Frost Cosmic Grey
- FP Clear Starlight Black
- FP Frost Starlight Black
- FP Clear Lustrous Bronze
- FP Frost Lustrous Bronze
- FP Clear Radiant Gold
- FP Frost Radiant Gold
- FP Clear Neon Black
- FP Clear Blaze Red
- FP Clear Nebula Blue
- FP Clear Electric Lime

3. Mirror Cut Finishes (MC) -

- MC Clear Starlight Black
- MC Clear Cosmic Grey