

# Contract of General terms and conditions between a manufacturer and a distributor

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this GCTA Agreement contract, General Conditions and terms Agreement and conditions between a manufacturer and a distributor for pool robots cover various aspects of their business relationship, including responsibilities, obligations, rights, and liabilities

This Agreement, hereinafter referred to as the "General Condition and Terms Agreement (the "GCT ATerm") for a Manufacturer and a Distribution Agreement, shall be effective from January 1st, 2024 (the "Effective Date") through October 31st, 2024. These General Agreement Terms and Conditions ("GACT"), constitute the entire agreement between the parties regarding the distribution of the Products. Manufacturer hereby appoints Distributor and Distributor accepts such appointment as Manufacturer's non-exclusive distributor of the Products within a specific Territory (the "Territory").

## 1 Definitions:

- 1.1 "Manufacturer" refers to Dongguan Qingshui Intelligent Robot Co., Ltd., a company duly registered and operating under the laws of the Civil Code of the People's Republic of China and other laws and regulations, with its principal place of business at:
- **Adress:**
  - **Taxpayer identification number:**
  - **Tel:**
  - **Account opening bank:**
  - **Account number:**
- 1.2 "Distributor" refers to [Distributor's Name], a company duly registered and operating under the laws of [Jurisdiction], with its principal place of business at [Distributor's Information].
- 1.3 "Products" refer to the pool cleaning robots manufactured by the Manufacturer, including all models and Spare parts listed in this GCTA agreement and other official documents and catalos' of the manufacturer.
- 1.4 "Territory" refers to the geographical area within which the Distributor is authorized to distribute the Products, specifically encompassing [to be updated -Territory Description].

## 2 Appointment:

- 2.1 Pursuant to the principles of equality, voluntariness, fairness, and good faith, and in full compliance with applicable laws and regulations, the Manufacturer hereby confers upon the Distributor the non-exclusive rights to distribute the Products within the designated Territory. This appointment shall remain in effect from the date of this agreement until termination in accordance with the terms specified in this General Conditions and Terms Agreement on Commercial Terms (GCTA)

## 3 Product Specification:

- 3.1 The Products shall conform to the specifications outlined in the most recent product catalogue and other documents provided by the Manufacturer, including but not limited to dimensions, weight, power requirements, and functionalities and as indicated in this GCTA agreement.
- 3.2 Any modifications or updates to the specifications shall be communicated

to the Distributor in writing by the Manufacturer.

3.3 Furthermore, the Distributor shall promptly inform the Manufacturer in writing of any issues or concerns regarding the product, acknowledging the need for swift communication of such matters.

3.4 Any unclear information and details about the product to the distributor shall be emailed and clarified with the manufacturer before an order.

4 Ordering Process:

4.1 The Manufacturer shall provide a standardized format for product ordering, which will be transmitted to the Distributor via email. The Distributor shall review and approve this format before utilizing it for any ordering purposes.

4.2 Orders shall be placed by the Distributor in writing via email and through an official ordering Format provided by the Manufacturer.

4.3 Minimum order quantities, lead times, and any special ordering requirements shall be mutually agreed upon by both parties and documented in writing as indicated in the GCTA agreement.

4.4 The following table indicates the manufacturing periods as a function of the quantity.

Quantity	Days	note
100		Ready for shipment at Shenzhen Port
500		Ready for shipment at Shenzhen Port
1000		Ready for shipment at Shenzhen Port

4.5 In urgent matters, the manufacturer will allocate resources to faster delivery if possible.

4.6 The Distributor shall submit all Product orders to the Manufacturer in writing. The Manufacturer will use reasonable efforts to fill orders submitted but does not guarantee the availability of any Product.

4.7 The Manufacturer reserves the right to accept or reject any order, in whole or in part, at its sole discretion.

## 5 Prices:

5.1 The below prices are applicable for the purchase of Products which actual delivery shall be between the Effective Date of this Agreement starting as of 1st Jan 2024 and until 31st October 2024 (the "Purchase and Delivery Period"). Prices for Products during the GCTA which delivery will be after the Purchase and Delivery Period will be in accordance with the prices of the subsequent GCTA (starting as of 1st November 2024) agreement, if any, unless otherwise agreed in writing between the parties.

### 5.2 Pricing Table 1:

<b>Products</b>	<b>Minimal Quantity</b>	<b>P/N</b>	<b>Price in euro</b>	<b>Recommended Retail Price</b>
Professional Line				
<b>Hydro Cordless "9600"</b>				
<b>Hydro Cordless "15000"</b>				
<b>Hydro Power 15M</b>				
<b>Hydro Power 18M</b>				
<b>Hydro Hybrid 9600 15m</b>				
<b>Hydro Hybrid 1500 18m</b>				
<b>Hydro Cordless IOT</b>				
<b>Hydro 4D cleaning</b>				
<b>Hydro 4D hybrid cleaning</b>				
<b>Robot only (without battery)</b>				
<b>Battery 9600 mAh</b>				
<b>Battery 15000 mAh</b>				
<b>IoT Power Supply</b>				
<b>Flouting cable 15 m 3 wire</b>				
<b>Floating Cable 18 m 3 wire</b>				
<b>IOT Signal buoy</b>				
<b>IOT Cleaning buoy</b>				
<b>Aqua Sense Remote control</b>				
<b>Robot Chassy</b>				
<b>Front-Brush complete set</b>				
<b>Back Brush complete set</b>				
<b>Filter Basket</b>				

Filter*2pcs				
Wheels				
Motor Gear				
External gear				
internal Gear 1				
internal Gear 2				
Drive Motor				
Impeller Motor				
impeller propeller				
infrared Sensors				
Sonar Sensor				

### 5.3 Bonus plan

Distributor is entitled to participate in Manufacturer s' bonus plan as described below:

NC%	Bonus structure
Exceptional performance	<p>A) For reaching minimum Orders of 100 units, <b>Distributor</b> will be entitled to get a xx % Bonus in NC units</p> <p>B) For reaching Orders above 500 units, <b>Distributor</b> will be entitled to get a xx % Bonus in NC units.</p>

### 5.4 Special Terms

Table 2:

Special terms
1. Not applicable at this point.

## 6 Payment Terms:

6.1 The pricing of the Products shall be as outlined in the Manufacturer's price list as indicated in list in [Euro] this GCTA at point 5.16

6.2 In accordance with the terms of this contract, following receipt of the completed order form specifying the required products and quantities via email, and subsequent confirmation of the order with the Manufacturer, the Distributor hereby commits to making a payment amounting to 30% of the

total order value before the initiation of manufacturing.

6.3 Manufacturer shall notify the Distributor in writing within 2 working days after the completion of production of the goods, and the Distributor shall conduct payment completion of the order within 5 working days after receiving the notification.

6.4 Within 5 working days after receiving the final payment from the Distributor, the Manufacturer will issue a special value-added tax invoice with a tax rate of XX % for the corresponding amount based on the invoicing information provided by the Distributor.

**6.5 Bank fees:**

6.5.1 Each party shall bear its local bank fees/charges. Namely, Distributor shall pay the bank fees/charges levied by its bank, and Manufacturer shall pay the bank fees/charges levied by its bank in its location. For the avoidance of doubt, the net amount received by Manufacturer shall be as per the invoiced amount.

**6.6 Payment delays:**

6.6.1 Any delay of over 7 days will postpone further shipments till the overdue amount will be paid.

6.6.2 Any delay of over 14 days from due date will be charged at 0.25% monthly interest, without derogating from any other rights of Manufacturer.

6.6.3 If the Distributor's overdue payment exceeds xx working days, the Manufacturer has the right to unilaterally terminate this contract and require the Distributor to pay the Manufacturer liquidated damages, which are xx % of the order amount.

6.7 All payments shall be made in the currency specified in the invoice, without deduction or set-off, to the bank account designated by the Manufacturer.

6.8 The payment terms outlined in this Agreement represent the initial conditions agreed upon by the Manufacturer and Distributor. As the business relationship progresses, the parties agree to consider modifications to the payment terms that are mutually beneficial.

6.9 Any changes to payment terms must be made in writing and approved by authorized representatives of both parties.

## 7 shipping and Delivery:

7.1 Shipping terms shall be Incoterms 2024, with shipping costs, insurance, and any import duties or taxes borne by the Distributor.

7.2 Manufacturer shall notify the Distributor in writing within 2 working days after the completion of production of the goods, and the Distributor shall conduct shipment completion of the order within XX working days after receiving the notification and as indicated in paragraph 5.4

7.3 The Distributor shall be responsible for all shipping costs and arrangements from Shenzhen port.

7.4 Shipment terms shall be FOB Manufacturer's facility in Shenzhen port, China. The Distributor shall be responsible for all shipping costs and arrangements from Shenzhen port.

7.5 Shipping information:

	<b>Port / Airport</b>	<b>Forwarder – Israel</b>	<b>Notify</b>
Sea Freight			
Air Freight			

7.6 The Manufacturer shall use commercially reasonable efforts to meet delivery schedules but shall not be liable for any delays or non-performance due to factors beyond its control, including but not limited to acts of nature, labor disputes, or government actions.

## 8 Acceptance of Goods

8.1 Upon the arrival of the products at the distributor's premises, it is imperative for the distributor to conduct a thorough inspection of the container and the goods contained therein to ensure compliance with the agreed specifications and to identify any potential issues or discrepancies.

- 8.2 The distributor shall promptly notify the manufacturer of any discrepancies, damages, or defects observed during the inspection process, utilizing the complaint format provided by the manufacturer and transmitted via email.
- 8.3 The distributor acknowledges and agrees that the responsibility for checking the container and accepting the goods lies with them upon arrival at their premises.
- 8.4 In the event of any discrepancies, damages, or defects detected during the inspection, the distributor commits to issuing a formal complaint to the manufacturer in accordance with the provided complaint format, and within the agreed-upon timeframe.
- 8.5 The manufacturer undertakes to promptly address any complaints received from the distributor and to collaborate in resolving any issues to the satisfaction of both parties.
- 8.6 Furthermore, the distributor agrees to promptly notify the manufacturer of the successful receipt and acceptance of goods, providing confirmation of acceptance in writing within the stipulated timeframe.
- 8.7 Both parties acknowledge the importance of effective communication and collaboration in ensuring the smooth and efficient handling of product reception and acceptance processes at the distributor side

## 9 Marketing and Promotion:

- 9.1 The Distributor shall undertake marketing and promotional activities in the Territory to promote the Products, subject to prior approval by the Manufacturer.
- 9.2 The Manufacturer may provide marketing support in the form of promotional materials, product training, or co-marketing initiatives, as mutually agreed upon by both parties.
- 9.3 Demo Units for promotion, demonstration & service purposes:  
Manufacturer will provide the model Hydro 4D hybrid cleaning Full set which shall be used by the Distributor solely for the above purposes. The provision of such Demo Units shall be in accordance with the following terms:
- 9.4 The first Sample is FOC including Air freight to the DISTRIBUTER
- 9.5 Quantity: above xx Orders the distributor gets xx % of the number of Products purchased by the Distributor during the previous Sales Year,

classified according to Product types.

- 9.6 Quantity may be amended from time to time by mutual agreement in writing of the Parties.
- 9.7 At any point distributor can order DEMO units for a 30% discount from prices listed in Table 1.
- 9.8 All Demo units will be marked with stickers indicating such units are Demo Units.
- 9.9 Demo units are packed in brown cartons.
- 9.10 Demos unite are for marketing and B2B demonstrations only to widen market share and can't be sold.
- 9.11 Marketing Materials

## 10 Compliance with packaging specifications

- 10.1 Distributor acknowledges that when Manufacturer delivers the contracted products, the packaging shall be in the form of a prototype presentation (ie: carton + inner packaging that meets the requirements). If Distributor has other requirements for packaging, the costs shall be borne by Distributor.
- 10.2 In case of Prive label orders, Manufacturer shall arrange packaging production according to Distributor 's packaging design draft and production requirements. If Distributor 's packaging design errors lead to packaging rework and re-production, Distributor shall bear the cost.

## 11 Quality Requirements

- 23.1 The goods provided by Manufacturer to Distributor shall comply with the national or industry standards and certification standards (FCC, UN38.3, UL, transportation appraisal report, dangerous package certificate, etc.) of the destination country of the relevant products and will not infringe the regulations of the destination country, Property rights and patent certification, otherwise all losses will be borne by Manufacturer .
- 23.2 Distributor shall sell the products produced by Manufacturer under the specified conditions of use. For failures caused by the quality of Manufacturer's products during use by end customers, the warranty period is two years.
- 23.3 During the warranty period, Manufacturer will provide accessories free

of charge (excluding consumable parts and wearable parts) and be responsible for transporting them to the Distributor or the service station designated by Distributor or by the Manufacturer. For the operation method, see "Maintenance Services".

- 23.4 After the same quality problem point reaches and exceeds 5%, Manufacturer will compensate for the equivalent number of defective machines.
- 23.5 If Manufacturer 's product quality is defective or there are any quality problems in the product that cause personal injury to others (except for personal injury caused by Distributor and Distributor 's users failing to operate according to product instructions, warning labels, etc.), manufacturer shall bear all legal responsibilities and direct loss. If there is a personal rights dispute between Distributor and the user due to the quality of the products provided by Manufacturer, or any third party pursues personal rights and interests (except for personal injuries caused by Distributor and Distributor 's users failing to operate in accordance with product instructions, warning labels, etc.) Manufacturer shall bear all costs incurred by Distributor in pursuing the lawsuit (including but not limited to direct losses, litigation fees, attorney fees, travel expenses, express delivery fees, etc.)
- 23.6 Complaints
- 23.7 The Manufacturer warrants that the Products shall be free from defects in materials and workmanship for a period of [Warranty Period] from the date of delivery to the Distributor.
- 23.8 In the event of any defect covered by the warranty, the Distributor shall promptly notify the Manufacturer and return the defective Products for repair, replacement, or refund, as determined by the Manufacturer in its sole discretion.
- 23.9 The distributor will open an official complaint and send it via email. The complaint will be filled at the official complaint format provided by the manufacturer

## 12 Warranty Policy:

12.1.1 Manufacturers trust distributor to be his long arm and eyes and ears in the field , protect the brand name as a brand of exceptional service and warranty policy and do all necessary measures together with manufacturer to establish such an image for the brand and trust his judgment for

23.10 Manufacturer shall provide each product with a warranty card that to be filled and sent to the Manufacturer.

23.11 Manufacturer provides for the products a Warranty as per the below table:

<b>Model</b>	<b>Warranty Period</b>	<b>SLA</b>
All Product under warranty	24 months	Till 7 days from the first end user contact till end user receive the product back
Brushes	3 months	Till 7 days from the first end user contact till end user receive the product back
All product post warranty, limited to the specific spare part changed	12 months	Till 7 days from the first end user contact till end user receive the product back
Special cases that must be approved with manufacturer before	To be discussed and approved with manufacturers in advance	To be discussed

## 12.2 Warranty compensation Policy

23.12 The Manufacturer will compensate the Distributor the of each warranty service performed by the distributor or their approved dealer as defined below:

- Any robot under Warranty that has been in right use according user manual and quick guide.
- Any Spare part for a robot post-warranty that gave been repaired by the distributor or his approved dealer.
- Manufacturer will compensate on warranty and post warranty cases as indicated in the table below:

compensation	Amount	Amount
Robot Under Warranty	Labor including shipments	xx euro
	Spare parts as indicated int the price list	Price list or actual invoice for spare parts which invoice reveal the price list
Robot out of warranty that hast a spare part still under warranty	labor	Xx Euro
	Spare parts as indicated int the price list	Price list or actual invoice for spare parts which invoice reveal the price list
Robots out of warranty		

23.13 At the end of each calendar quarter, Manufacturer shall calculate the Balance for such quarter. Where a quarter's Balance is negative, Manufacturer shall issue a credit note to Distributor for the Balance amount. Where a quarter's Balance is positive, the Balance amount will be accrued and considered as part of the following quarter's Warranty Advance.

23.14 Notwithstanding the aforesaid, in any and all cases in which as a consequence of an audit conducted by Manufacturer , at its sole discretion, it is determined by Manufacturer that any Warranty Repair Cost incurred and/or any Approved Spare Part purchased by Distributor in any quarter were unnecessary, the amount of any such Warranty Repair Cost and/or the Price of any such Approved Spare Part, as may be applicable, will be included in the first Balance calculation immediately following any such determination.

23.15 For the avoidance of doubt, it is hereby clarified that in order to calculate the Balance, Manufacturer will consider only Spare Parts which Distributor actually purchased for Products which are still under Warranty. For the avoidance of doubt, any repair and/or purchase made in connection with a Product which Warranty Period has expired will not be taken into account as part of the Balance. Furthermore, with respect to Post-Warranty Spare Parts, in order to calculate the Balance Manufacturer will consider only the Price of Approved Spare Parts (i.e., any and all Warranty services costs for each Post-Warranty Spare Part's repair will not integrate the Balance).

12.3 Procedure to include a Spare Part within the Warranty framework:

12.3.1 The Manufacturer will provide the distributor or his approved dealer with an *Online Warranty framework List*.

12.3.2 Distributer or his approved Dealer will update the *Online Warranty framework List* not later than 2 working days after each warranty case.

12.3.3 Distributor will fill all required Fields and information per Robot in the Online Warranty framework List.

12.3.4 The Manufacturer has the right to alter the approval status of a Spare Part if it concludes, at its own discretion, that the part does not exhibit significant defects due to faulty workmanship or materials as outlined in the Manufacturer's user manual and Quick Guider

12.4 Replaced Spare Parts Policy

Manufacturer reserves the right to require in writing that Distributor provide and return Spare parts for diagnostics and quality purpose as the following:

12.4.1 Spare Part which was requested by Distributor through the Online Warranty framework List, in order to be reviewed/tested/otherwise by Manufacturer, whether at Distributor's premises or Manufacturer s' premises (shipment at manufacturer's expense).

12.4.2 Distributor shall hold and store all the defective parts that were defined as Approved Spare Parts until the earlier of the following occurs:

- Manufacturer s' technical review of such Spare Parts and/or Approved Spare Parts at Distributor's premises;
- Manufacturer instruction to send to Manufacturer all or part of

the Approved Spare Parts listed in the Online Warranty framework List to Manufacturer s' premises; or

- Manufacturer s' written confirmation that such Approved Spare Parts can be scrapped; or
- months after a Spare Part has been authorized by Manufacturer as an Approved Spare Part

#### 1.1 Post Warranty policy

12.4.3 All Post-Warranty Spare Parts shall be considered an Approved Spare Part solely in case:

- Distributor has registered the sale of the respective Post-Warranty Spare Part in the Online Warranty framework List.
- the Post-Warranty Spare Part is under the Warranty Period.

#### 1.2 Pending Status:

The status of any and all such Spare Parts shall be automatically considered as pending in case:

12.4.4 In any and all other cases including without limitation any and all cases in which Manufacturer is not able to determine the dates of sale by Distributor of the respective Post-Warranty Spare Part and/or date of the repair made by Distributor of such Post-Warranty Spare Part for any reason whatsoever

12.4.5 and cases in which the Spare Parts are lacking of a series control number if applicable

12.4.6 Pending requests shall be considered on a case by case basis by Manufacturer , at its sole discretion.

12.4.7 Distributor shall fully cooperate with Manufacturer in any and all such cases, including without limitation, by providing Manufacturer with any and all records in its possession that may be applicable.

#### 1.3 Warranty Begin Policy

23.16 The Warranty Period for the Products shall begin upon the earlier of Distributor's delivery to the Customer or after three (3) months from Delivery ("Initiation of the Warranty Perio

23.17 The Warranty Period for the Post-Warranty Spare Parts shall begin upon Delivery of such Post-Warranty Spare Part unless otherwise provided in the Customer Service Portal

- 23.18 Spare parts changes and End of Life Notice
- 23.19 Manufacturer may add and/or obsolete any products, and/or any part, component and/or subassembly of any products, to and/or from the Products and Spare Parts, as may be applicable.
- 23.20 In case of obsolescence of any Product and/or Spare Part, Manufacturer shall provide Distributor with a prior written notice (the "End of Life Notice"), which in case of obsolescence of any Product shall be given twelve (12) months in advance of any such obsolescence.
- 23.21 Notwithstanding the aforesaid, all Spare Parts (original Spare Parts or alternative Spare Parts compatible with such obsolete Product, at Manufacturer s' sole discretion) of Products in respect of which an End of Life Notice has been provided by Manufacturer , shall be available only for 7 years from the date of the End of Life Notice for any such obsolete Products, as may be applicable (the "Removal Period").

### 13 Service Stations:

### 14 Miscellaneous Provisions:

- 14.1 This agreement constitutes the entire understanding between the parties concerning the subject matter hereof and supersedes all prior agreements and understandings, whether written or oral, relating to such subject matter.
- 14.2 No amendment or modification of this agreement shall be valid unless made in writing and signed by duly authorized representatives of both parties.
- 14.3 If any provision of this agreement is held to be invalid, illegal, or unenforceable under applicable law, such provision shall be deemed modified to the extent necessary to render it enforceable without altering the intent of the parties, and all other provisions of this agreement shall remain in full force and effect.

### 15 Intellectual Property Rights:

- 11.7 All intellectual property rights related to the Products, including but not limited to patents, trademarks, copyrights, and trade secrets, shall remain with the Manufacturer.
- 11.8 The Distributor is granted a limited, non-exclusive license to use the Manufacturer's trademarks solely for the purpose of promoting and selling

the Products within the Territory during the term of this agreement and as agreed in a written form before the use.

## 16 Confidentiality Clause

23.22 All matters that Distributor and Manufacturer know about the other party during the negotiation, signing, and performance of this contract, including but not limited to the content of this contract, are obligated to keep confidential, unless there is obvious evidence to prove that such information is public information or Obtain written authorization from the other party in advance.

23.23 These confidentiality obligations will continue to be effective after the termination of this contract. If either party causes losses to the other party due to breach of such obligations, it shall compensate the other party for the corresponding losses.

23.24 In addition to the confidentiality clause of the main contract, the additional confidentiality agreement signed shall be legally binding and shall be strictly performed.

## 17 Confidentiality:

17.1 Both parties shall keep confidential information exchanged under this agreement strictly confidential and shall not disclose it to third parties without the prior written consent of the disclosing party.

17.2 Confidential information shall include, but not be limited to, business plans, pricing information, customer lists, and technical data related to the Products.

## 18 Force Majeure

24.1 When a force majeure event occurs (an event that Distributor and Manufacturer cannot reasonably control, is unforeseen or cannot be avoided even if foreseen), the affected party shall promptly and fully notify the other Manufacturer y email, WhatsApp, and inform the other party of the impact of such event on this party. possible impact on the contract and details of such events should be provided within a reasonable period. If it is indeed a force majeure situation, the performance time of this contract shall be extended, and neither party shall be liable for losses

caused by delay.

## 19 Liability and Indemnification:

19.1 Each party shall be liable for its own acts and omissions, including but not limited to product liability claims, breaches of warranty, or violations of applicable laws or regulations.

19.2 The Distributor shall indemnify, defend, and hold harmless the Manufacturer, its affiliates, officers, directors, employees, and agents from and against any and all claims, damages, losses, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or in connection with the distribution or use of the Products in the Territory.

## 20 Liability for breach of contract

25.1 If any party violates this contract and causes losses to the other party, it shall compensate the other party for all losses.

25.2 If Distributor has other requirements for the packaging method of goods transportation, Manufacturer should be notified to Manufacturer after the goods are produced and before packaging, and the two parties will separately negotiate to determine the new packaging method;

25.3 If Distributor fails to notify in advance and the goods need to be repackaged and the goods are damaged, Distributor shall be responsible for the corresponding losses.

25.4 If Distributor makes a late payment, Manufacturer shall pay liquidated damages equal to one-thousandth of the amount payable but unpaid for each overdue day.

25.5 If Distributor 's payment is overdue for more than xx days, Manufacturer has the right to terminate or terminate this contract without refunding any fees paid by Distributor.

25.6 If the liquidated damages cannot make up for Manufacturer 's losses, Distributor shall continue to compensate Manufacturer for all losses.

25.7 If Manufacturer 's products do not meet the quality standards stipulated in Article 5 of the contract and are overdue, Manufacturer shall

pay a late fee to Distributor. The daily late fee payable = xx % × the total order amount.

25.8 If Manufacturer is overdue for more than xx days, Distributor has the right to unilaterally terminate the contract. In addition to returning all the money to Distributor and bearing liquidated damages (xx % of the contract price), Manufacturer shall also compensate Distributor for any losses suffered as a result. losses (including but not limited to direct losses).

25.9 If either party violates the confidentiality clause, it shall pay liquidated damages to the other party equal to 30% of the contract price. A confidentiality agreement is also signed. If any Manufacturer reaches the contract, the terms will be enforced.

25.10 The losses mentioned in this contract include but are not limited to the economic losses of the non-breaching party, as well as all legal fees, litigation fees, arbitration fees, appraisal fees, preservation fees and other expenses paid thereby.

## 21 Governing Law and Dispute Resolution:

21.1 This agreement shall be governed by and construed in accordance with the laws of [to be complete Jurisdiction], without regard to its conflict of laws principles.

21.2 Any disputes arising out of or in connection with this agreement, including any question regarding its existence, validity, or termination, shall be finally settled by arbitration in [to be complete Arbitration Location] under the rules of [Arbitration Institution], by [Number of Arbitrators] arbitrator(s) appointed in accordance with said rules.

## 22 Dispute Resolution

26.1 Any dispute arising out of this contract, or the performance of this contract shall be resolved through negotiation between the two parties. If the negotiation fails, the dispute shall be submitted to the people's court where the plaintiff is located for settlement.

## 23 Confirmation of delivery address

27.1 The address listed at the end of this contract is the confirmed address for both parties to receive correspondence documents and court and

arbitration committee documents respectively.

- 27.2 If there is any change, the other party must be notified in time. Otherwise, if the goods are refused or cannot be delivered, it will still be deemed that the goods have been received or have been delivered. The legal effect of service shall be the date of receipt or delivery.

## 24 Contract Validity Period

- 28.1 This contract shall take effect from the date of affixing the official seals of both parties.
- 28.2 If matters not covered in this contract are resolved through friendly negotiation between the two parties, a supplementary agreement may be signed separately. The supplemental agreement shall have the same legal effect as this contract.
- 28.3 This contract is made in two copies, with Distributor and Manufacturer each holding one copy, which has the same legal effect.

## 25 Term and Termination:

- 25.1 This agreement shall commence on the effective date and shall remain in effect for an initial term of [Initial Term], unless terminated earlier in accordance with its terms as indicated in the "SACT"
- 25.2 Either party may terminate this agreement for material breach by the other party upon [Notice Period] written notice specifying the nature of the breach and allowing the breaching Distributor reasonable opportunity to cure such breach, if capable of being cured.
- 25.3 Upon termination or expiration of this agreement, the Distributor shall cease all distribution activities related to the Products and return any remaining inventory to the Manufacturer in accordance with the Manufacturer's instructions.

Date: \_\_\_\_\_

\_\_\_\_\_  
**Manufacturer LTD**

\_\_\_\_\_  
**Distributor**