

SUPPLY/DISTRIBUTION AGREEMENT

This Supply/Distribution Agreement (“**Agreement**”) is entered on _____ (“**Effective Date**”) at _____

between

AKAVA LUXURIOUS having its Corporate office at _____ (Hereinafter will be called “Company/First party/Supplier”)

and

_____ having its office at _____ ((hereinafter will be called “Distributor/Second Party/Purchaser”).

Supplier and the Purchaser shall be individually referred to as “**Party**” and together as “**Parties**”.

WHEREAS:

1. First Party/Supplier is engaged in the business of manufacturing/wholesaling undertaking supplying of a variety of products.
2. Second Party/Purchaser is a business entity engaged in retail distribution of products through offline mode to Retailers/Wholesalers/ Super Markets
3. Supplier agrees to sell to Purchaser, and Purchaser agrees to purchase, the products described in **SCHEDULE A** to this Agreement (“**Products**”), subject to the terms and conditions contained in this Agreement, for retail distribution of the Products to Retailers/Wholesalers/ Super Markets for the location _____ of District _____, State

PARTIES HEREBY AGREE AS FOLLOWS:

1. Purchase and Sale

- 1.1. Subject to the terms and conditions contained herein, Supplier agrees to supply and Purchaser agrees to purchase the Products. The supply of the Products to the Purchaser shall be on a non-exclusive basis.
- 1.2. Parties may from time to time agree in writing to update **SCHEDULE A** to include new products that the Supplier may be required to supply to the Purchaser.
- 1.3. During the term of this Agreement, the Parties agree that the Purchaser shall provide the Supplier a supply of any of the Products, provided that nothing contained herein shall be construed to imply an exclusive relationship for sale and/or purchase between the Parties.
- 1.4. The Purchaser agrees to stock products as defined by the Supplier to meet continuous supply of products to Retailers/Wholesalers/ Super Markets.
- 1.5. The Purchaser agrees to maintain a office/godown at own cost. Purchaser agrees to deploy/increase employees for sales & marketing, delivery/collection of goods/receivables to/from Retailers/Wholesalers/ Super Markets at its own cost.

1.6. **The Purchaser agrees to sell products upto 15% margin of supply rate of First Party/ Supplier to Retail outlets and upto 10 % to Wholesalers/ Super Markets or as per communicated by supplier time to time.**

1.7. The Purchaser hereby agrees, represents and undertakes to share all reports related to purchase, inventory and complete details of off invoice income relating to operations, with the Supplier to correctly ascertain business performance. The Purchaser further represents that any records, reports etc., shared by it with the Supplier shall be correct, provide a true and fair view of the accounts of the Purchaser. If at any time the Supplier finds out that the same is not correct or the Purchaser has misrepresented facts or indulging in fraud and unfair practices, the Supplier shall have a right to take necessary legal action against the Purchaser and demand adequate compensation from the Purchaser. The Purchaser herein agrees to pay such compensation (without demur or delay) on demand to the Supplier.

2. **Purchase Order**

2.1. Purchaser shall order Products from Supplier under this Agreement by submitting to Supplier orders specifying the Products, quantities and requested delivery dates required to enable Supplier to fulfil the order ("**Purchase Order**").

2.2. Supplier shall endeavour to provide the Purchaser the best available price for the Products and shall, from time to time, intimate the Purchaser of ongoing promotions and schemes being offered.

2.3. The Supplier may decline, in its sole discretion, to accept or fulfil a Purchase Order fully/partially for any reason whatsoever.

3. **Delivery**

3.1. Delivery of the Products will be made to the store premises of the Purchaser, as designated by Purchaser.

3.2. Supplier will use commercially reasonable efforts to meet Purchaser's requested delivery schedules for Products.

3.3. Title to and risk of loss of the Products shall pass to Purchaser upon delivery of the Products to Purchaser at the store premises.

3.4. Except in the case of gross negligence on the part of Supplier or Supplier's failure to package Products in a manner reasonably expected for delivery of the relevant Products, the Purchaser can only return the products in the following cases:

a) Right to return any damaged Products upfront without any reason at time of delivery;

b) Right to return any Products upto one (1) month after expiry/shelf life of the Products supplied if any,

Provided that the total (both under (a) & (b)) value of return shall be limited upto 1% of total value of Products sold to the Purchaser by the Supplier in one (1) year.

4. Pricing/Payments

- 4.1. Purchase price of Products shall be available online/offline at the time of placing an order.
- 4.2. The Purchaser agrees to pay 100% of the order value in advance for the initial three purchase orders placed with the Supplier. Upon the successful completion of these **three advance payment transactions**, the payment terms for all **subsequent orders** shall be **50% in advance of the order value** at the time of placing the purchase order and the remaining 50% shall be paid within 30 days of delivery of goods or prior to placing the next order, whichever occurs earlier. All payments shall be made to the Supplier via **NEFT, RTGS, IMPS, or UPI**.
- 4.3. Purchaser agrees to give two undated security cheque of value first purchase order and 50% of first purchase order. Supplier will ensure to return/destroy these both cheques after of settlement on termination/expiry of agreement.
- 4.4. All prices quoted as per above shall be inclusive of taxes and exclusive of delivery cost unless otherwise agreed between the Parties in writing.

5. Confidentiality

- 5.1. Supplier and Purchaser agree that certain information supplied by each to the other during the term of this Agreement, including, without limitation, the Products, any documentation relating thereto and the intellectual property underlying the Products and information contained on purchase orders or regarding Purchaser's ordering or delivery patterns is proprietary, secret, confidential or non-public to various owners thereof. All such information shall be held in confidence by the receiving party, shall be used only for the purposes of this Agreement and shall not be disclosed to any person other than an employee with a need to know the information in order to fulfill the obligations of the receiving party hereunder. Notwithstanding anything contained herein, the Supplier shall be entitled to disclose any information pertaining to the Purchaser (whether or not confidential) including the terms of this Agreement to the Supplier's employees, officers, directors, agents, attorneys, accountants, auditors, consultants, professional advisers, affiliates, shareholders, investors (or any person nominated by an investor) and potential investors, without requiring consent of the Purchaser or any other person.
- 5.2. The obligations in this Clause 5 shall remain in full force and effect notwithstanding the expiry or termination of this Agreement. Upon termination of this Agreement, the Purchaser shall return, or at the Supplier's direction destroy all confidential, proprietary or secret information in possession of the Purchaser relating to the Supplier or its business. The Supplier shall be entitled to conduct an audit of the Purchaser to verify compliance with this Clause 5.1, either through its authorized representative, or through a third-party auditor. The Purchaser shall provide all required assistance (including allowing access to its places of business, documents and records) to the Supplier and its auditors in any such investigation in good faith.
- 5.3. This Agreement, and the terms hereof, shall also be considered to be confidential and shall not be disclosed to any person by the Purchaser without the prior written consent of the Supplier.

6. Compliance with laws

Each Party agrees to comply with all laws and regulations applicable to the sale of Products.

7. Representations, Warranties and Covenants

7.1 Each Party hereby represents and warrants to the other that this Agreement is valid and legally binding upon it and enforceable in accordance with its terms and such Party has the requisite power and authority to execute and deliver this Agreement and all agreements, documents and writing executed pursuant hereto.

7.2 The Purchaser represents, warrants and covenants that it has been, and will continue to be, in compliance with any one (or more) of the conditions set out below:

- (a) The Purchaser holds, in its name, valid and subsisting sales tax/ VAT registration/ service tax/ excise duty/ Goods and Services Tax (GST) registration;
- (b) The Purchaser holds, in its name, valid and subsisting trade licenses i.e. a license/ registration certificate/ membership certificate/ registration under Shops and Establishment Act, issued by a Government Authority/ Government Body/ Local Self-Government Authority, reflecting that the Purchaser is engaged in a business involving commercial activity;
- (c) The Purchaser holds, in its name, valid and subsisting permits/ license, etc., for undertaking retail trade, from Government Authorities/ Local Self Government Bodies; or
- (d) The Purchaser holds, in its name, valid and subsisting certificate of incorporation or registration as a society or registration as public trust for its self-consumption.

7.4 The Supplier is not making any representations and warranties except for those expressly set out herein.

7.5 The Purchaser acknowledges that it does not have any right, limited or otherwise, to use any trademark, logo or other intellectual property of the Supplier at any time, and the ownership and rights associated with the Supplier's intellectual property shall continue to vest with the Supplier at all times.

8. Limitation of Liability

8.1. The maximum aggregate liability of the Supplier under this Agreement shall not exceed the cost of goods supplied by the Supplier in any one order, in any event whatsoever.

8.2. Notwithstanding anything to the contrary, the Supplier shall not be liable to the Purchaser for any indirect, consequential, incidental, special, exemplary or punitive losses or damages, or any damages for business interruption, lost profits, lost revenue,

lost business, loss of anticipated revenue or anticipated profits, arising from this Agreement, even if the Supplier has been advised of such loss or damage.

9. Term / Termination

- 9.1. This Agreement shall remain in force for 12 months from the date of execution hereof, unless terminated earlier in accordance with the terms hereof.
- 9.2. The Purchaser may terminate this Agreement for convenience by giving 60 (Sixty) days prior written notice thereof to the Supplier. The Supplier may terminate this Agreement for convenience by giving 60 (Sixty) days prior written notice thereof to the Purchaser.
- 9.3. The Supplier shall have the right to terminate this Agreement forthwith on account of any breach of any representation or warranty, or non-fulfilment of or failure to perform any covenant, obligation, undertaking or agreement contained in this Agreement.
- 9.4. Notwithstanding the termination of this Agreement, the provisions of this Agreement which by their very nature survive termination shall continue to subsist and be binding on the Parties.

10. Force Majeure & Notice

- 10.1. Neither party shall be liable for any failure or delay in performing its obligations under this Agreement if such failure or delay is due to circumstances beyond its reasonable control, including but not limited to acts of God, war, terrorism, strikes, labor disputes, government actions, pandemics, natural disasters, or any other unforeseeable event that makes performance impossible (each, a "Force Majeure Event").
- 10.2. **Notification:** The affected party must notify the other party in writing as soon as reasonably possible, specifying the nature and expected duration of the Force Majeure Event and the obligations affected.
- 10.3. **Suspension of Obligations:** During the Force Majeure Event, the affected party's obligations under this Agreement shall be suspended to the extent affected by the event. The affected party shall take all reasonable steps to mitigate the impact of the Force Majeure Event.
- 10.4. **Termination Rights:** If the Force Majeure Event continues for a period exceeding 90 [Ninety] days, either party may terminate this Agreement without liability by providing written notice to the other party.
- 10.5. **Payment Obligations:** The occurrence of a Force Majeure Event shall not relieve the Buyer from its obligation to pay for goods already delivered prior to the event.
- 10.6. All notices under this Agreement shall be: (a) in writing; and (b) delivered by personal delivery or certified or registered mail/email, return receipt requested, or courier and deemed given upon personal delivery or upon receipt by the other Party. Notices shall be sent to the Parties at the addresses set forth in the introductory paragraph, or such other address as either Party may designate for itself in writing to the other Party.

11. Dispute Resolution, Governing Law and Jurisdiction

- 11.1. Any dispute, controversy or difference between the Parties arising out of or in relation to this Agreement including without limitation as to the validity, interpretation,

termination, construction, performance, enforcement or alleged breach of, and any non-contractual obligations arising out of or in connection with, this Agreement (“**Dispute**”) shall be referred for final and binding arbitration. The arbitration proceedings shall be held in Delhi/GB Nagar UP, in accordance with the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force by a sole arbitrator, appointed by the First Party. The language for the arbitration shall be English. Costs of the arbitration proceedings shall be borne equally by the Parties, unless the sole arbitrator decides otherwise. The arbitrator’s order shall be final and binding on the Parties in all respects.

11.2. This Agreement will be governed by and construed in accordance with the laws of India. Subject to Clause 11.1, courts in Delhi/GB Nagar UP shall have exclusive jurisdiction over matters relating to or arising from this Agreement.

12. Miscellaneous

12.1. Independent Contractor

The Parties agree that each party shall act as an independent contractor and shall not in any way act as an agent or representative of the other. Neither Party has authority to bind or speak for the other except as may be specified in writing from time to time. Nothing in this Agreement shall be interpreted or construed to create or imply any partnership, agency or joint venture between the Parties.

12.2. Entire Agreement, Amendment and Severability

This Agreement and accompanying Schedules constitute the entire agreement between the Parties and supersedes all prior oral or written agreements between the Parties with respect to the subject matter hereof. This Agreement may only be amended by writing signed by the Parties that refers explicitly to this Agreement. If a provision of this Agreement is unenforceable or invalid, the provision shall be revised so as to best accomplish the objectives of the Parties.

12.3. Waiver

Either Party may at any time waive compliance by the other Party with any covenants or conditions contained in this Agreement, but only by written instrument executed by the Party waiving such compliance. No such waiver, however, shall be deemed to constitute the waiver of any such covenant or condition in any other circumstance or the waiver of any other covenant or condition.

12.4. Assignment

This Agreement, and the rights, benefits, liabilities and obligations hereunder may not be assigned or transferred by the Purchaser, whether by operation of law or otherwise without the written consent of the Supplier. The Supplier shall have the right to assign and/or transfer its rights, benefits, liabilities and obligations hereunder without the consent of the Purchaser or any other person. The Purchaser undertakes to provide all necessary support, co-operation and assistance in connection with such assignment and/or transfer, including without limitation by executing and delivering such documents as may be reasonably requested by the Supplier and/or its assignee/transferee.

12.5. Further Assurance

The Purchaser shall, at any time and from time to time, upon the written request of the Supplier promptly and duly execute and deliver all such further instruments and documents, and do or procure to be done all such acts or things, as the Supplier may reasonably deem necessary or desirable in connection with this Agreement. The Purchaser's obligations in this Clause 12.5 shall survive the expiry or termination of this Agreement for a period of 2 (two) years.

12.6. Specific Performance

The Purchaser acknowledges that the remedies at law of the Supplier for a breach or threatened breach of this Agreement would be inadequate and, in recognition of this fact, the Supplier, without posting any bond, and in addition to all other remedies that may be available, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy that may then be available. Without prejudice to the generality of the foregoing, the Supplier shall be entitled to an injunction, restraining order, right for recovery, suit for specific performance or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the Purchaser from committing any violation or enforce the performance of the covenants, representations and obligations contained in this Agreement. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Supplier may have at law or in equity, including without limitation a right for damages.

12.7. Waiver of Liability

As of the Effective Date, the Purchaser on behalf of itself and its affiliates hereby irrevocably waives, releases and discharges the Supplier (including, any affiliates) from any and all liabilities and obligations to the Purchaser (and its affiliates) of any kind or nature whatsoever, (including in respect of rights of contribution or indemnification), in each case whether absolute or contingent, liquidated or un-liquidated, and whether arising under any agreement or understanding or otherwise under applicable law or equity.

12.8. Survival

The provisions of this Clause 12 (Miscellaneous) shall remain in full force and effect notwithstanding the expiry or termination of this Agreement.

**IN WITNESS WHEREOF, PARTIES HAVE EXECUTED THIS AGREEMENT ON THE
DATE AND YEAR FIRST ABOVE MENTIONED**

For AKAVA Luxurious

By: _____

Name:

Designation:

For _____

By: _____

Name:

Designation: Director/Partner/Proprietor

SCHEDULE A

PRODUCTS

Below Products under Brand AKAVA

1. Belts
2. Wallets
3. Bags
4. All Other Products not specified under Brand AKAVA