

# Distributor Policy & Agreement

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## PRODUCT DISTRIBUTION AGREEMENT

This Product Distribution Agreement (this "Agreement") is made effective as of March 24, 2021 between ILS Products, of 1910 East Tom Green Street, Brenham, Texas 77833, and (Distributor Company Name, of (Distributor City, State (Prov), Country)

The parties agree as follows:

### Philosophy

ILS Products LLC ("ILS") considers our network of distributors to be an extension of our sales force. Distributors allow us to more cost-effectively penetrate sales territories by serving as our representatives in the marketplace. Our strategy as a company is to expand the business we have through distribution because we believe distributors add significant value to the finished package our mutual end customers require. It is our desire to develop strong relationships with distributors and to support distribution by providing all the tools necessary to support your sales of our product lines. These tools include sales literature, and an online ecommerce platform.

In relation to pricing, our philosophy is that price-driven buying behavior puts downward pressure on the margins for both the manufacturer and the distributor, and essentially de-values the products and services we mutually provide. Our goal is to create a fair playing field for all distributors by offering pricing that is competitive to the marketplace, and that also allows our distributor partners to make a fair margin.

### Right to Sell

ILS Products owns the Corner Casting Adapter (patent pending) & the CCA Solar Lighting System ("Corner Casting Adapter, CCA Solar Lighting"). In accordance with this Agreement, ILS Products grants (Distributor) a non-exclusive right to sell the Corner Casting Adapter and CCA Solar Lighting System under the terms of this Agreement. This right to sell only applies to the following described territory: (State(s) or Province(s). (Distributor) agrees to devote its best efforts to the sale of the Corner Casting Adapter and CCA Solar Lighting.

### Territories

ILS Products LLC reserves the right to add distributors to any geographic market area in the United States at our discretion based on the sales opportunities available in that market.

### Compliance

A Distributor is an independent contractor and is responsible for his or her own business expenses, decisions, and actions.

Distributors are not franchises, joint ventures, partners, employees, or agents of ILS Products, LLC or its affiliates. Distributors are strictly prohibited from stating or implying either orally, electronically, in writing or in any other manner, that they are franchises, joint ventures, partners or employees of ILS Products LLC All distributors shall at all times conform to all IRS regulations governing independent contractor status. Neither the ILS Products LLC nor the distributor shall have any right to enter into contracts or commitments in the name of, or on behalf of, the other to bind the other in any way.

A Distributor is fully responsible for all of his or her verbal and/or written statements made regarding the Products, and Services which are not expressly contained in official Company materials and the

Distributor agrees to indemnify ILS Products LLC, its employees, agents, and any and all affiliates against any claims, damages, or other expenses, including attorneys' fees, arising from any representations or actions made by the Distributor that are outside the scope of the agreement.

### **Shipping**

All shipping is collect or prepaid and charged, no exceptions.

### **Drop-Shipping**

Please note that when drop-shipping product to another state you will be charged that state's appropriate sales tax unless you have a reseller tax ID on file for that state. This is due to your reseller sales tax license only being valid within the state in which it was issued, typically your home state. Therefore, if delivery of that product is located in another state you will still be charged that state's appropriate sales tax. You would need to apply for a sales tax license in each state you wish to have product delivered should you wish to handle sales taxes yourself in every taxing jurisdiction in which you do business.

### **Returns**

All returns and refunds must be pre-approved by ILS Products, LLC. A return authorization number will be assigned to the return by ILS Products LLC. The Distributor must clearly label each box with the assigned authorization number prior to shipping.

No returns on custom manufactured items.

10% of the original purchase price will be assessed for restocking all returned items.

Distributor is responsible for shipping arrangements and expenses on returns. Exception: if ILS Products LLC ships faulty or incorrect items.

The original shipping fee charged to the distributor for delivery will not be reimbursed, except for ILS Products LLC fulfillment errors.

Distributor MUST use a standard carrier.

Distributor should insure contents in case the shipment is lost or damaged during delivery. ILS Products LLC will not reimburse distributors for items that are lost or damaged.

An item that is returned in less than "new" appearance will be considered "damaged" and the distributor will not receive a refund for such items.

Damaged items returned to ILS Products LLC will not be returned to the distributor. In the event of damaged items occurring during shipment, ILS Products LLC will cooperate with the distributor's shipping carrier to provide confirmation of item status. ILS Products LLC will not be held responsible for the decision or actions of the shipping carrier. ILS Products LLC will document damage to aid in any insurance claims for the distributor.

Distributor agrees not to seek assistance or grievance from their credit card issuer to obtain a refund of all or part of the value of the original invoice. ILS Products LLC will honor its obligations regarding the aforementioned policies in a timely manner, provided the distributor abides by the terms of this document.

### **Payroll Taxes**

(Distributor) shall be exclusively liable for, and shall indemnify ILS Products against such liability for, all employee payroll taxes and insurance arising out of wages payable to persons employed by Caru Containers in connection with the performance of this Agreement

### **Use of Confidential Information**

The Distributor may acquire Confidential Information. Accordingly, regardless of the source of the Confidential Information, the Distributor understands and agrees:

The Confidential Information is for the exclusive and limited use of the Distributor to facilitate the training, support and servicing of the Distributor's Downline Organization for furtherance of the Distributor Business only;

He or she will not disclose the Confidential Information to a third party directly or indirectly (including other Distributors) and that doing so constitutes misuse, misappropriation, and a violation of the agreement;

He or she will not use the information to compete with the Company directly or indirectly and improper use will result in termination of the agreement;

He or she may be required to sign a non-disclosure agreement before receiving Confidential Information from the Company, or prior to engaging in activities that would allow the Distributor to acquire Confidential Information; and

Upon termination of the arrangement he or she will discontinue the use of such Confidential Information and destroy or promptly return to the Company all Confidential Information under the control of or in his or her possession.

### **Negative Statements**

A Distributor will make no disparaging, misleading, inaccurate, or unfair statements, representations, claims, or comparisons with regard to the Company, its Products, its commercial activities, or its Distributors; or other companies, including competitors, their services, products or commercial activities.

### **Dispute Resolution**

The parties will attempt to resolve any dispute arising out of or relating to this Agreement through friendly negotiations amongst the parties. If the matter is not resolved by negotiation, the parties will resolve the dispute using the below Alternative Dispute Resolution (ADR) procedure.

Any controversies or disputes arising out of or relating to this Agreement will be submitted to mediation in accordance with any statutory rules of mediation. If mediation does not successfully resolve the dispute, the parties may proceed to seek an alternative form of resolution in accordance with any other rights and remedies afforded to them by law.



**Transfer of Rights**

This Agreement shall be binding on any successors of the parties. Neither party shall have the right to assign its interests in this Agreement unless the prior written consent of the other party is obtained.

**Termination**

This Agreement may be terminated by either party by providing 30 days' written notice to the other party.

**Entire Agreement**

This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement and there are no other promises or conditions in any other agreement, whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties with respect to the subject matter of this agreement.

**Amendment**

This Agreement may be modified or amended, if the amendment is made in writing and is signed by both parties.

**Severability**

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**Waiver of Contractual Right**

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

**Applicable Law**

This Agreement shall be governed by the laws of the State of Texas.

**Signatories**

This Agreement shall be signed on behalf of ILS Products by Andrew Grant, President and on behalf of \_\_\_\_\_ (Distributor Company) by \_\_\_\_\_ (First & Last Name), \_\_\_\_\_ (Position of Signatory). This Agreement is effective as of the date first written above.

**Consignor:**  
ILS PRODUCTS LLC

**Distributor:**

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

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