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## DISTRIBUTORSHIP AGREEMENT

### **PRELIMINARY STATEMENT**

*This formal agreement is drawn up and signed by authorized persons of the parties. All negotiations and business between the parties shall be kept strictly confidential.*

#### 1. Parties:

The parties are:

a) BEIJING MERRYMEDICAL TECHNOLOGY CO. Ltd - BEIJING CHINA (Principal)

b) Name: Add: \_\_\_\_\_

#### 2. The principal gives the distributor:

The right to purchase from the principal, for sale, the products listed hereafter:

- Hospital trolley (MA series, MA-E series, MP series and DZ series)
- HPL screen

According to the terms and conditions set forth below.

3. The principal undertakes to supply the said products on a regular basis, according to his possibilities (standard terms of delivery is 4 weeks from an order except shipping time, it could be longer in the end/ beginning of the year).

#### 4. The distributor undertakes:

- a) to act as an distributor of the principal's products in the assigned territory of \_\_\_\_\_.
- b) to purchase all the requirements of products from the principal;
- c) not to sell the products outside the assigned territory without the principal's approval;
- d) not to market competitive products, either directly or indirectly, in the assigned territory;
- e) to its best efforts to actively promote and market the products throughout the territory by setting up and maintaining a skilful and sufficient sales network and service organization
- f) to prepare and submit to the principal a complete quarterly report on the market developments in the territory.
- g) to assure a competitive pricing on distributor's territory to be overseen by principal or authorized person designed by principal
- h) to pay the principal according to the established terms and methods

Methods of payment:

Payment: T/T payment, 30% payment before production, 70% payment before shipment.

#### 5. Limits:

the distributor shall inform the principal about all obligations, information, news, laws etc. that will make the principal's job easier, excluding any implication. The distributor shall not be authorized to enter into agreements on behalf of the principal nor shall he give warranties or compound other kinds of liability on behalf or against the principal.

6. Term:

This agreement shall become effective on 2022-05-26 and shall remain in force till 2024-05-26 and will be renewed on annual basis period.

7. Condition of sale:

- a) the prices quoted by the principal to the distributor shall be based on the last updated price list and dealer discount agreed
- b) the principal shall be entitled to change the prices giving a reasonable advance notice (3 months)
- c) in certain cases discounts may be granted but these shall be established from time to time in writing;
- d) orders, shipments, incidental costs shall be determined in general, except special cases.
- e) shipments costs will be at dealers' charge ( principal EXW's basis)

8. Promotion of sales and services to customers:

1) The distributor undertakes:

- a) to do his best to promote the sale of the contractual products–
- b) to screen and appoint local distributors, according to his own needs, informing the principal about this, who, however, shall not be a party in the relative contracts;
- c) to train his own staff in order to promote sales in a professional way;
- d) to report to the principal all the news and information that come to his knowledge and which could facilitate the penetration of the principal's products;
- e) to invest every year a certain amount of money in advertising and promotional activities, with the prior approval of the principal of all the material to be advertised;
- f) to keep adequate offices and showrooms with warehouses for storage of an adequate stock of products such as to meet customers' requirements to ensure a quick delivery of orders.

9. The principal undertakes:

- a) to inform the distributor about any changes in production, introduction of new products
- b) to arrange periodic visits in the territory by his own representatives who will be assisted by the distributor
- c) to supply commercial (for product managers) and technical training. Place of training can be either in China or \_\_\_\_\_.
- d). warranty: 3 years of Quality Assurance.

11. As our items are medical devices, the following clauses must also be provided for to ensure supervision and monitoring on the market:

- a) the distributor shall notify Beijing MERRYMEDICAL Technology Co., Ltd in the event of any complaints from the end customers.
- b) the distributor shall inform Beijing MERRYMEDICAL Technology Co., Ltd of any service carried out in its area of jurisdiction by forwarding quarterly a printout or a copy of the service reports
- c) The distributor shall keep Beijing MERRYMEDICAL Technology Co., Ltd informed on national legislation covering Medical Devices.

Failure to comply with the above clauses may result in the termination of the contract for true and just cause.

12.The parties herein undertake to keep confidential all the matters relating to this agreement and not to disclose important information concerning customers, prices, negotiations underway.

13.Disputes:

In case of serious disputes between the parties the following provisions shall apply:

- a) attempts shall be made to reach an friendly settlement within 30 days from the occurrence of the event;
- b) if no solutions are found, all the disputes, arguments or differences that may arise between the parties from this agreement or in connection therewith or due to its non-fulfilment, shall be settled by arbitration in China.

14. The principal Company will indemnify, defend, and hold Distributor harmless against any claim concerning

- a) any intentional and/or negligent act and/or omission and/or negligent wrongdoing on the part of Distributor or its respective employees or agents in the repackaging, labeling, storage, promotion, delivery, or sale of the Products, and/or
- b) any claims of infringement of the intellectual property of any third party and/or
- c) breach of any provision of this Agreement.

Party a) Principal

Name: Beijing MERRYMEDICAL Technology Co., Ltd

Party b) Distributor

Name: .....

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_