



Link Locks Commercial Policy for Distributor/ Super Stockist

Mr. _____ (hereafter known as Link Locks Channel Partner) is ready to work as Exclusive are Distributor for Assigned area of _____ in the name of "M/s _____" and he has accepted the below points as per Commercial Business policy.

Mr. _____ represents M/s _____ has been accepted to work personally in market for Link Locks products. He is accepted to provide exclusive salesman for market working as per company norms to generate the business.

Pricing Policy:

Channel Partner agrees to supply Link Locks products in the area and outlets designated to it as per the pricing policy of the company. It will prepare bills as per the Link Locks pricing policy and charge GST as mandatory. The price list will be handed over to you time to time. Link Locks fixed the Price of all Link Locks products, applicable discount will be **@43%** on MRP for all Dealers/sub dealers and retailers. Channel partners for their redistribution fixed margin will be markup **14%**.

Set discount for dealers'/sub dealers or retailers is provided by Distributor compulsory.

Schemes

All secondary schemes run by Link Locks have to be strictly passed on to trade dealers/sub-dealers/ Retailers. Details for all schemes operated (opening stock, closing stock, purchase details etc.) to be maintained for inspection and audit. It also understands that any deviation or misleading representation may lead to serious action of authorized distribution ship.

Infrastructure.

Distributor agrees to have a proper office with requisite admin and sales staff. It agrees to give company a godown with adequate storage space and racks for proper stacking. Distributor shall maintain a Delivery Van / 3-Wheeler (owned/hired) for prompt service to market.

IT Resource/ MIS data.

Distributor agrees to maintain computerized billing and should agree to purchase and install any system/software as and when advised by Link Locks. A Channel Partner agrees to provide MIS data from its system to Link Locks sales personnel as and when required.

Credit Terms:

Credit Terms are advance or net payment upon delivery, except where satisfactory credit is established in which case terms and credit days are up to **45 days to be calculated & reviewed at the end of every quarter by Link finance Team.** The Link Locks reserves the right to revoke any credit extended at the Company's sole discretion. Distributor agrees to pay such invoices when due regardless of other scheduled deliveries. We follow a practice of depositing cheque/RTGS on the due date wherever approved, depending on your credit days. This would ideally cover the transit time for the delivery.



The calculation of credit days would be as under:

Link Locks Credit Control Table					
Day Criteria	Credit Days	Credit Limit	Review	If Default	Process
0-90	PDC Advance or (After first 3 billings)	NA	Quarterly	Any default, will start from 0 days	Request mail+ PDC
91-180	20 Days credit	Average of last 3 month's primary sales + GST	Quarterly	Any default, will start from 0 days	with Line manager's consent
180-270	30 credits	(Average of last 3 month's primary sales)*1.5+GST	Quarterly	Any default, will start from 0 days	1.) Credit based on receiving security cheques and previous financial history. 2.) Request mail and consent of line managers.
270+	45 days	(Average of last 3 month sales)*2+GST	Quarterly	Any default, will start from 0 days	1.) Credit based on receiving security cheques and previous financial history. 2.) Request mail and consent of line managers. Any exception needs to discuss separately.

Initially the Credit Period is zero days for the first 3 Months with 3 % cash discount in bill. Distributor can continue with this term by their choice.

Early Payment Incentive:

In case the payment is made by the Channel Partner to the Link Locks within **10 business days**, the distributor eligible for discount of **2 %** on full invoiced amount.

In case the payment is made by distributor to Link Locks in between days, the Distributor will not be eligible for any discount. After 40 days, late payment is liable for penalty.

Early order Incentive: -

We are offering early order incentive @ 3%, kindly get that circular from respective area representative

Late Payment Charges:

Invoices not paid within due date will have 1.5% per month finance charge assessed against the unpaid balance from the date of invoice until the date of payment.

Cheque Return:

Cheque returned unpaid from Bank (Cheque Bouncing) is considered as a serious concern. We encourage you to honour all your cheques by keeping sufficient balance in your account. If the cheque bounces on presentation, company will initiate actions in terms of section 138 of the negotiable instrument act or repayment by RTGS with the penalty charges as mentioned below. More than three such instances may face termination of authorized distributorship with immediate effect and the decision of HOD will be final in such cases. In addition, it will also attract late payment charges as applicable till the amount due is paid in full.

Cheque Bounce charges will be INR 2500/-+ Taxes and account will be converted to Advance mode for three months minimum.

Goods Return Policy.

No stocks will be returned to Company godown except those for Quality reason with written approval from HOD. Damaged stocks will be returned to company warehouse. You need to ensure that appropriate proof of delivery is provided against each delivery at the place of delivery suggested by you.

For any stock if approved to be returned for any other reason other than quality/damage, appropriate handling charges will be deducted from the CN as per calculation mentioned below. No tax would be refunded after six months of invoice as per norms laid by Government of India.

Within financial year of Invoice: 30% deduction of NMV (Net Material Value before Tax).

No Material Return Accepted post financial year of invoice, whatever be the reason including Damage/Quality Issue.



Stock Inventory Management.

“MSL” means Minimum Stock Level in Distributor godown. This norm determines minimum stock for major products to be kept in stock by you. Link Locks Appointed Sales in charge of your geography will work out the MSL details mutually. The calculation of the MSL will be based upon the past sales and average sales growth in your area. This is to ensure that required stocks are available with you to allow you to efficiently service the market.

Kindly note: weekly seasonality needs will be taken in account while calculation of MSL.

Current Stock Norms can be calculated by below mentioned formulas (value whichever is higher out of the two):

- $MSL = (\text{Average monthly business in last six months}) * (\text{Growth expected in the market}) * 1.5.$
- $MSL = (\text{Expected average monthly business in next 3 months}) * 1.5.$

Ethics.

Link Locks has agreed that he will not venture in any competition (Global or Local) brand for Distribution to Dealer or Sub-Dealers till the time he is associated with Link Locks.

He has agreed that if he would not able to cater the allocated market as per Link Locks or, in future, if we need another distributor for coverage improvement, Link Locks will appoint other distributor in same town after mutual agreement.

He should not bill the material goods to any partner associated directly with the company without the consent of respective Area Manager/Regional Manager given in written. Any deviation w.r.t. code of conduct and misleading representation will lead to immediate termination of authorized distributorship.

Quarterly and Annual Rewards:

As a Peak Channel Partner, you earn discounts to streamline your primary and secondary sales. **We offered quarterly award or additional benefits on set primary and secondary target. Additional discount as bonus on annual basis if the channel partner achieves all four-quarter goal.**

Quarterly and Annual target (Primary and secondary) will be set by mutual agreement.

Agreed goal (Primary and Secondary) will be on progressive side from last year. For New Partners it will be set by sales team in consideration of market potential.

Total Benefits and discounts:

Company offered all fixed benefits to Distributor as commented above:

- 1) Fixed in bill Margin markup 14%
- 2) Cash discount 03%
- 3) Early payment Incentive (in 10 days) 02%
- 4) Early order Incentive @ 3%
- 5) Quarterly Reward on target based @2%
- 6) Annual Reward on target based @1.5%

Kindly note: All benefits apart from fix margin will be passed or credit in account after outstanding payment realisation.

Declaration: I have read and understood all the terms and conditions mentioned in the policy document above and have also discussed with ASM & RSM on all clarifications which I need. All above terms as written above is acceptable to me and do agree to abide them and as an acknowledgement sign herein.

(Distributor Signature & Stamp)



(Area Sales Manager/ Regional Manager)