DISTRIBUTION AGREEMENT

Date: 13/07/2026

Distributor:
Mr.HDIC Karunarathna
Karunarathne Distributor,
No 43/3, Suduhumpola Road,Kandy

1. Appointment

The Supplier appoints the Distributor as an authorized distributor of its mobile phones, accessories, spare parts, and related products within the territory of **Kandy.** The Distributor accepts this appointment and agrees to comply with the terms of this Agreement.

2. Security Deposit

To secure the Distributor's obligations under this Agreement, the Distributor shall provide the Supplier with a refundable security deposit in the form of a cheque.

Security Deposit Details

- Amount : LKR 500,000
- Cheque Number : 012744
- Bank : Sampath Bank – Heerassagala Branch

- Amount : LKR 500,000
- Cheque Number : 012745
- Bank : Sampath Bank – Heerassagala Branch

The security deposit shall be held by the Supplier as security against any unpaid invoices, losses, damages, or breaches of this Agreement.

The Supplier shall not present or cash the security deposit cheque unless:

- The Distributor fails to settle outstanding payments after receiving written notice.
- The Distributor commits a material breach of this Agreement.
- The Distributor causes financial loss to the Supplier that remains unpaid.

If the security deposit cheque is used, the Distributor shall immediately reimburse the Supplier for any remaining outstanding balance.

Upon termination or expiry of this Agreement, and provided that the Distributor has fulfilled all contractual obligations and has no outstanding liabilities, the Supplier shall return the original security deposit cheque (or refund the deposit if it has already been converted into cash by mutual agreement) within **30 days**.

3. Products

This Agreement covers all mobile phones, accessories, spare parts, and other products supplied by the Supplier.

4. Orders and Payment

The Distributor shall place orders as required by the Supplier.

Payment terms:

- **Credit Period: Maximum 45 days**.
- Payment Method: Bank Transfer / Cheque / Online Transfer.
- Any overdue payment may result in suspension of product supply.

5. Distributor Responsibilities

The Distributor agrees to:

- Promote and sell the Supplier's products.
- Maintain adequate stock.
- Provide quality customer service.
- Protect the Supplier's brand reputation.
- Comply with all applicable laws and regulations.

6. Supplier Responsibilities

The Supplier agrees to:

- Supply genuine products.
- Provide warranty support according to company policy.
- Supply marketing materials where available.
- Process orders promptly, subject to stock availability.

7. Term and Termination

This Agreement shall remain in force until terminated by either party by giving **30 days' written notice**.

The Supplier may terminate this Agreement immediately if the Distributor:

- Fails to make payments on time.
- Issues a dishonoured cheque.
- Commits fraud or misconduct.
- Violates any material term of this Agreement.

8. Confidentiality

Both parties shall keep confidential all business information, pricing, customer details, and trade information obtained during this Agreement.

9. Governing Law

This Agreement shall be governed by the laws of **Sri Lanka**.

10. Entire Agreement

This Agreement represents the complete understanding between the parties and may only be amended in writing and signed by both parties.

Signatures

For the Supplier

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Mr. N.A.R Kumara,
Director,
Celphy Mobile International (Pvt) Ltd

For the Distributor

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Mr.HDIC Karunarathna
Karunarathne Distributor