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Hi DLC, I have a question on exclusive distribution.

Sure, let's hear it!



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Our company works with exclusive distribution: one distributor per territory.

Now one of our exclusive distributors will stop its business in a couple of years, and we are looking for a proper business transition.



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Several candidates want to prospect the territory already now, so they can see whether there is a future business case to replace the existing distributor.

And you want to know how to go about it?



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Indeed.



Well, first, shared exclusivity between a maximum of 5 distributors is now possible under applicable EU legislation.

So, if the distributor agrees to share its exclusive territory for business transition purposes, you can appoint up to 4 candidate distributors as (shared) exclusive distributors.



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But we're pretty sure that the distributor will want to reserve certain key accounts for itself and not abandon its sole exclusivity for these accounts.

In this case, you may consider combining territorial and customer exclusivity.

That is to say, you can allow active prospection in the exclusive territory by up to 4 candidates but exclude it in relation to the distributor's key accounts.



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So, what you are saying is that I can agree with my distributor to appoint 4 candidates in its territory but keep its exclusivity 'as is' for the key accounts.

Indeed, but please remember that no customer, including no key account, is tied completely to the distributor.





# Distribution Talks



last seen today at 11:09

A key account may request other distributors for a quote and if this leads to sales, these are passive sales, which are always allowed.



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I know, you often remind me of this! 😊



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One final question: I suppose I can limit the candidates' appointment in time and go back to sole exclusivity once I have chosen the right business transition candidate?

Correct, this is a matter of contract.



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Thank you for your help.

You're welcome, speak to you soon.



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