

APPOINTMENT OF SOLE SELLING AGENTS BY A FOREIGN COMPANY

THIS AGREEMENT made at..... on this day of 2000, between ABC Ltd., a company duly incorporated and existing under the law of United States of America, having its principal office at..... (hereinafter referred to as the ABC) of the ONE PART and M/s. XYZ, a partnership firm having its principal office at..... (hereinafter referred to as the XYZ) of the OTHER PART.

WHEREAS the ABC is the manufacturer of processing machines of stone industry and consumables and spare parts used in those machines and wants to appoint sole selling agents for the entire Northern States of India and has entrusted the same to XYZ who has agreed to market the products of ABC in the entire Northern States of India on the terms and conditions mutually settled between the parties and recorded herein.

NOW IT IS MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. *COMMENCEMENT AND DURATION*:- This agreement shall take effect from the and shall remain in force for the next three years that is till
2. *TERRITORY*:- The area covered by this agreement is all Northern States of India except Tamil Nadu, Andhra Pradesh, Karnataka and Kerala, hereafter referred to as the Northern Indian States.
3. *PRODUCTS*:- All products by ABC pertaining to stone industry namely the processing machines, consumables, spare parts, etc., will be marketed by XYZ on behalf of ABC in Northern Indian States.
4. *OBLIGATION ON THE PART OF ABC*:-
 - 4.1 It is agreed and understood between both parties that no other agent, commission merchant, sole distributor, coordinator will be engaged in the above areas and also for the above product indicated in point No. 2 and 3.
 - 4.2 This agreement authorises the exclusive selling agent namely, XYZ to prepare and sign all proforma invoices, quotations, contracts and other relevant connected documents on behalf of the company. While negotiating and concluding contracts for the sale of stone products by ABC, the agent should respect the prices as well as the terms and conditions as fixed by ABC.
 - 4.3 In case of North Indian customers (apart from the territory mentioned in point 2) setting up factories in South India only Mr. M N is authorised to follow up on behalf of ABC and this order will be treated as South Indian order, for which commission will be paid as per this contract.
 - 4.4 In case of South Indian customers setting up factories in North India only XYZ is authorised to follow up on behalf of ABC and this order will be treated as North Indian order, for which commission will be paid as per this contract.
5. *LIABILITIES OF THE AGENT*:-
 - 5.1 The agent is not allowed to represent any product of the competitors. However, he can represent allied products like diamond, blades, mining equipment, etc.

- 5.2 The agent should submit periodical reports and marketing information about competitor activity and other relevant information to the principals.
- 5.3 XYZ has to report to the General Manager of glass-stone etc. and the General Manager of ABC, on all matters connected with ABC.
6. *DISCOUNT FOR EQUIPMENT AND CONSUMABLES:-* The decision to offer discount either for the capital equipment or for the consumables will be decided by ABC and will be fully absorbed by ABC up to 5 per cent.
7. *MONTHLY RETAINER FOR ADMINISTRATIVE AND TRAVELLING EXPENSES:-* ABC will pay monthly retainer of US \$..... to from to and from to US \$ towards the administrative and travelling expenses.
8. *IN THE EVENT OF TERMINATION:-* In the event of termination of this contract, the agent is authorised for his commission for those projects where the order is booked during his tenure as ABC agent provided the LIC is established within a year from the date of such termination.
9. *INDIAN SERVICE ENGINEERS:-* The Indian service engineers employed right now and also in future should report to the agent for their day-to-day activities.
10. *VALIDITY:-* All modifications and amendments must be made in writing. This contract can be reviewed or remodified with mutual understanding at least three months before the expiry of the contract date. However, if the clauses indicated in this contract are not changed, this contract will be automatically valid for subsequent three years period.

IN WITNESS WHEREOF the parties have signed these presents and a duplicate hereof through their duly authorised officials, the day and year first hereinabove written.

Signed and delivered by ABC Ltd., USA,
the company by the hand of Shri.....
General Manager, its duly authorised official

Signed and delivered by XYZ Ltd.,
the company by the hand of Shri.....
General Manager, its duly authorised official

WITNESSES;

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