**AGREEMENT FOR THE APPOINTMENT OF EXCLUSIVE AGENT TO SELL GOODS IN FOREIGN COUNTRY ON COMMISSION**

THIS AGREEMENT made at……………..this……………..day of................20…………….. between A B Co. Ltd., a company incorporated in India and having its registered office at ……………..India(hereinafter referred to as "the Company") of ONE PART and X Y Co.Ltd., a company incorporated in USA and having its registered office at......................USA (hereinafter referred to as "the Sole Agent") of the OTHER PART;

WHEREAS the company is engaged in the business of exporting.............................; and

WHEREAS the company wants to appoint the agents in USA for selling the aforesaid export items in USA; and

WHEREAS the sole agents are engaged in the business of imported goods of the character which the company exports and are having a sale office at……………..in……………..for the said purpose; and

WHEREAS the company has agreed to appoint the sole agents as their sole agents on the terms and conditions mutually settled between the parties,

NOW THIS AGREEMENT BETWEEN THE AFORESAID PARTIES WITNESSES:

(1) The company appoints the sole agents for selling the goods exported by it in USA for a period of ……………..years w.e.f. …………….. to ……………..

(2) The company shall maintain the stock of the products in the custody of the sole agents, at its sales office to be disposed of as hereinafter provided. However, it shall be in the discretion of the company to determine the quantity of the products to be supplied to the sole agents and it shall not incur any liability because of its inability or refusal to supply the sole agents with any product or products at any time or times.

(3) The products consigned by the company to the sole agents shall remain the property of the company until the same are sold in the manner hereinafter provided. The sole agents shall have no right whatsoever to create any mortgage, pledge or charge on the stock of the company's products or deal with it in any manner otherwise than as provided herein. The proceeds arising out of sale of company's products shall be held for the sole and exclusive benefit of the company and for their account.

(4) The sole agents shall execute and file any and all instruments and perform any and all acts, required in USA to confirm that the company is the sole owner of all products consigned to the sole agents and of any and all proceeds arising from the sale or sales thereof.

(5) That the sole agents shall store and display the company products in its showroom and other places, by previous consent of the company. The products are always open to inspection and checks by the company through any of its officers, who shall have access at all times, during business hours to the place or places in which the products may or shall be stored by the sole agents.

(6) The company shall make all arrangements for shipment of the products and the sole agents will be responsible for safe stocking in all regards of the products supplied to them on consignment account. The products will be insured at the sole agents costs and the sole agents will be responsible for all costs incurred in storage, cartage, transportation and sale of the products from the time the products are delivered to it at .......................port.

(7) The sole agents shall examine the products immediately after receipt and any defects found out shall promptly be reported without fail to the company, otherwise the products shall be deemed as accepted. The sole agents shall return to the company the products found defective about which report has been sent by the sole agents. If the company directs sole agents to return all or any part of the products that shall not have been sold, the sole agents shall immediately comply with the direction.

(8) The company grants to sole agents the non exclusive right to sell, market or otherwise distribute the products in USA and it shall not sell any of the products, directly or indirectly in USA except through the sole agents.

(9) The sole agents shall work conscientiously, energetically and in a business like manner for the promotion, popularisation and sale of products of the company and shall not during the subsistence of this selling agency, work directly or indirectly for any other person, firm, association or corporation.

(10) The sole agents shall make sales of the products of the company at such prices, and upon such terms and conditions laid down by the company from time to time. The sole agents shall not be authorised to accept orders for, or to commit the company to, the sale or delivery of the products in excess of the unsold stock of products at the time in the custody of the sole agents.

 

(11) The sole agents shall properly maintain all such registers, books including the account books and ledgers and files as are maintained by business concerns and the same shall be open to inspection and checks by the company through any of its officers, who shall have a right, with a corresponding obligation on the part of the sole agents, to inspect and check the stock position of the company's products lying in the godown of the sole agents or anywhere else if so stocked by the sole agents.

(12) The sole agents will render to the company a report not later than the tenth day of each month, on the forms supplied by the company for the purpose, covering the sales of the products during the preceding calendar month. The sole agents will send report on the forms supplied by the company, on or before the 1st January, 1st April, 1st July and 1st October in each year, a complete itemized report or inventory of all the company's products on hand at the close of business on the last day of the preceding calendar month. The sole agents will also furnish to the company's request and when they find it appropriate to do so, with the information about any legislations or any amendments or abolition of any existing laws or regulations which shall in any way affect or which are likely to affect in any way the marketing of the products in USA and such other information as the company may require for its marketing operations.

(13) The sole agents shall remit to the company not later than the tenth day of each month, the amount equal to the total sales value, less the sole agent's commission.

(14) In consideration of the services rendered by sole agents, the company shall pay to them commission at the rate of 5% on the invoice amount of all products sold by the sole agents exclusive of freight and other charges; provided, however, if the amount of commissions earned

by the sole agents during the period of one year of the term hereof, shall not amount to the sum of US $……………..the company shall pay to the sole agents, at the end of such year, the difference between the amount of commissions earned by the sole agents during the said year and the said sum of US $……………..However, if in any year, the commission shall a. exceed the said sum of US $……………..such excess amount shall belong to the sole agents, without diminution for any deficiency in commissions that the company shall pay to the sole agents during any other year hereof. The company shall not be liable to pay any other expenses to the sole agents incurred by them for the maintenance of their sales office, godown and salaries to their employees for the agency business.

(15) The sole agents shall deposit with the company a security of Rs ……………..for the due performance of the terms of this agreement. The said deposit shall not carry any interest and it shall be refundable to the sole agents upon termination less the amount of any and all damages sustained by the company by reason of any breach by the sole agents of any of the terms, provisions or conditions hereof.

(16) In the event that either party commits breach of any of the provisions of this agreement, the other party may terminate this agreement at any time by giving the defaulting party a three months prior written notice of termination. The company may immediately terminate this agreement by written notice to the sole agents in the event of sole agent's bankruptcy or insolvency, in the event that sole agents shall make an assignment for the benefit of its creditors, in the event that a petition shall be filed against sole agents under a bankruptcy law, a corporate reorganization law or any other law for relief of debtors (or similar law analogous in purpose or effect), or in the event that sole agents shall enter composition proceedings.

(17) Upon termination of the agency, the sole agents shall deliver to the company, or to their order all products consigned hereunder that shall remain unsold.

Notwithstanding any termination or expiration of this agreement, any and all rights and obligations of the parties hereto which shall be accrued before the effective date of such termination or expiration under this agreement and which then remain outstanding shall still be governed by this agreement.

(18) This agency cannot be assigned, transferred or encumbered in any manner by the sole agents.

(19) All disputes, controversies and differences arising between the parties hereto out of or in relation to this agreement or any breach thereof shall be finally settled by arbitration to be conducted at............in accordance with the Rules of the International Chamber of Commerce, to which the parties, hereto shall be bound.

(20) This agreement shall be governed by and construed in accordance with the law of India.

(21) Each party at its own expense, shall seek necessary approval of this agreement by any Government, authorities in his country.

IN WITNESS WHEREOF the parties have hereunto set their hands, the day and year first above written.

WITNESSES

 1 Signed and delivered by A B Co. Ltd., by the hand of

 Shri……………..Managing Director, its duly authorized official

1. Signed and delivered by X Y Co. Ltd., by the hand of Shri…………….. General Manager (Marketing), its duly authorized official