**APPOINTMENT OF SOLE SELLING AGENT BY FOREIGN COMPANY FOR BOOKING ORDERS IN INDIA**

THIS AGREEMENT made at……………..this……………..day of……………..20………

between Brothers Computers International Ltd., a company incorporated in USA and having its registered office at……………..USA (hereinafter referred to as "Brothers") and India Computers Distributors Ltd., a company incorporated in India and having its registered office at

.................., New Delhi, India (hereinafter referred to as "India Computers").

This agreement between the aforesaid parties witnesses as follows:

**1. Term.** The term of this agreement is for a period of one year from the date above. Subsequent agreements will be predicated on India Computers' performance under the appropriate succeeding clauses of this agreement.

**2. Products.** Brothers hereby appoints India Computers and the India Computers agrees to act as the sales representative for Brother's product line (hereinafter referred to as the "Product") as follows:

Telecom Products which are listed in the Schedule hereunder written. Brothers retains the right to add or delete products by providing 30 days written notice to the India Computers.

**3. Territory.** India Computers is responsible for selling the products in India hereinafter referred to as the "Territory".

**4. Companies, where product to be sold.** India Computers is responsible in the territory for selling the product to:

 Telecommunications and long distance operating companies

 Railroad and transport companies

 Outside plant contracting and service companies

 Petroleum and mining companies

 Electric power companies

 Other users of outside plant telephone, data and control cables

**5. Scope of India Computers' authority.** Except as provided in this agreement, India Computers is, and at all times will be, an independent contractor. Nothing contained in the agreement is to be construed as constituting the India Computers the partner or employee of Brothers or as authorizing the India Computers to create or assume any obligation or liability in the name of Brothers or to subject Brothers to any obligation or liability other than expressly stated in Brothers' warranties.

**6. Competitive products.** India Computers agrees not to act as a representative for any supplier or manufacturer of products in competition with the product. The representative also agrees to advise Brothers of its principals, associations, and affiliations, including any changes thereof, which may occur during the term of this agreement.

**7. Retained termination right.** Brothers retain the right to terminate this agreement, prior to the expiration of the term hereof, upon the occurrence of any breach or default by India Computers of any of the terms, obligations and covenants contained in this agreement.

**8. New customers.** India Computers agree to research any new customer leaders when requested to do so by Brothers and to provide Brothers with a written report on each prospect within thirty days thereafter.

**9. Sales promotion.** India Computers will use its best efforts to promote the sale of the product in the territory through advertising, trade shows, seminars, demonstrations and maintaining sufficient numbers of qualified personnel who have an indepth understanding of the product and its applications

**10. Sales and technical literature.** Brothers will provide reasonable supplies of sales literature, other promotional aids, product bulletins and technical information on the product, without charge, to assist the India Computers in making sales in the territory.

**11. Local advertising and sales promotion.** India Computers will undertake a local advertising and promotional programme (the "Programme") properly targeted at its customer base. The programme will consist of product displays in India Computers showroom or stores, demonstrations, trade shows and seminars, flyers and direct mailers as appropriate according to local custom and practice. Brothers will support India Computers on a 50/50 matching co operative basis up to 2% of the net commissionable base of product for the year. Any support of a particular advertisement or promotion under the programme must be approved in advance by Brothers. Advertising or promotions shares with other principals represented by the India Computers will be supported under the programme on a pro rata basis. Special support, on a case by case basis beyond the programme, may also occasionally be conceded by Brothers to attain extraordinary targets or objectives.

**12. Sales forecasts.** India Computers will maintain close contact with the market for the product in the territory, and in the final quarter of each calendar year, will provide Brothers with a written sales forecast for the succeeding year, broken down by product and by quarter. Additionally, during the course of the year, India Computers will provide Brothers with quarterly summary reports of current sales activities and projected quantitative produce requirements for the territory.

**13. Sales terms and conditions.** Brothers agree to sell, and India Computers agree to buy the product on the terms and conditions in effect for the product at the time of acceptance of the order by Brothers.

**14. Commissions.** Brothers agree to pay India Computers commissions, in accordance with the rates as per the Schedule, on purchase order (Paragraph 19) for the product received from and shipped to the accounts of paragraph 4 in the territory, and for which the efforts of India Computers were a key factor in securing the orders.

**15. Commission base.** The normal commission on direct orders from end users, calculated per Schedule, will be based on the net, exworks price of the product sold, exclusive of freight, documentation, handling, insurance, installation, training and any other items not normally included in the basic equipment price. It is understood and accepted that the amount of the commission may be adjusted on a case by case basis due to such factors as quantity, order value, special discounts, required delivery schedules, repeat or blanket purchase orders, or unusual support efforts required on the part of Brothers in making the sale or servicing the account. In such cases, the amount of the adjusted commission will be mutually agreed upon prior to the submission of the offer.

**16. Payment of commissions.** Commissions due to the India Computers under the terms of this agreement are payable only after receipt by Brothers of full payment for the product covered by each shipment, and the amount paid may be reduced by any offsets Brothers may have against the India Computers.

**17. Commission due at termination**

(a) Upon termination of this agreement by Brothers for cause (paragraph 28), commissions due to India Computers will be limited to those on the product sold by the India Computers and the orders accepted by Brothers prior to the termination.

(b) Upon termination of this agreement by India Computers with or without cause (paragraphs 27 and 28), or by Brothers without cause (paragraph 27) commissions due to he India Computers will be limited to those on the product sold by the India Computers and the orders accepted by Brothers within 90 days after the termination.

**18. Territorial invasion commissions.** India Computers are specifically not entitled to commissions on the product sold by Brothers to consumers located outside the territory and either shipped by the customer, or drop shipped by Brothers at the customer's discretion, to end users in the territory. However, Brothers agrees to allow India Computers a Territorial Invasion Commission on the sale, at the rate as per the Schedule, as compensation for his customer relations efforts and his Brothers in country end user warranty administration under paragraph 22 of this agreement. Payment of Territorial Invasion Commissions is subject to positive verification that the product has entered the territory. Brothers will make a good faith effort on behalf of India Computers to identify such third country sales.

**19. Purchase orders.** All direct purchase orders will be addressed and delivered to Brothers and will not be binding until acceptance is communicated by Brothers to the customer. Brothers have the right, in its sole discretion, to accept or reject all purchase orders. No commissions are payable on any purchase order not accepted by Brothers.

**20. Stock programme .** India Computers agree where practicable as determined by trade practices, legalities and marketability, to purchase and stock for resale, either directly or through dealers in the territory, those items of the product which lend themselves to such distribution. The net ex factory price paid by the India Computers to Brothers for product for stock will be net of all commissions and quantity discounts. Quantity discounts will be on a cumulative annualized count of all major items of product purchased by the India Computers for stock exclusive of spare parts. Brothers will guide and assist India Computers in selecting those items and determining stock levels to be maintained in India Computers stock programme. India Computers will furnish Brothers quarterly reports in supporting the India Computers stock programme. In the event of termination of this agreement, Brothers has the right of first refusal to repurchase any unsold product remaining in India Computers stock. If the repurchased product remains in the territory, and Brothers exercises its repurchase option, Brothers will buy the product at the original ex customs cost; if the repurchased product is removed from the territory, Brothers will reimburse the India Computers for the original net ex factory price and the India Computers will apply for the appropriate duty drawbacks.

**21. Sales representations and warranties** India Computers agree to make only such representations or statements of warranties as are authorized in writing by Brothers and will not use any advertising, promotional or other materials or information for the purpose of advertising, promoting or otherwise publicising the product without first obtaining written approval from Brothers.

**22. Warranty administration and service.** India Computers agree to administer the Brothers Factory Warranty Programme for the product in the territory. In addition, India Computers agree to provide warranty service and support for the product. India Computers agree to employ qualified service personnel to provide both on site warranty service, and repair at the India Computer's facility.

**23. Direct sale prices.** India Computers will offer the product for direct sale to end users at such prices and terms as may be from time to time established by Brothers. Brothers will provide the India

Computers with full information concerning prices and terms and with all revisions thereof.

**24. Customer calls.** India Computers agree to make customer relations and exploratory calls at his expense and at reasonable intervals, on prospective customers in the territory, specifically including accounts which the India Computers have been requested to solicit by Brothers.

**25. Proprietary information.** India Computers agree to keep confidential for ever and never disclose any proprietary information concerning the product and Brother's business which has or may become known to India Computers as a result of this business relationship. Further, the India Computers will similarly require his employees to protect for ever Brother's proprietary interests and be responsible for their conduct.

**26. Truthfulness in presentation.** India Computers will not present or sell the product in any manner which contradicts or is inconsistent with the manner in which the product is presented or depicted in any Brother's publication, including catalogues, confidential dealer sheets, price lists, advertisements, or other written communication prepared by Brothers. Nor will the India Computers knowingly make any presentations, advertisements or enter into any restrictive trade agreements that might make Brothers liable under applicable local or US anti trust and rest rai nt of trade laws.

**27. Termination without cause.** This agreement may be terminated without cause by either party by giving 60 days written notice to the other by prepaid, registered or certified mail directed to the address shown above, or any other new address provided hereafter by either party to the other. The notice period will begin on the date of posting of the notice.

**28. Termination with cause.** This agreement may be terminated for cause immediately by either party by giving Telex or FAX notice to the other, followed by same day written notice as prescribed in paragraph 27. Termination for cause by Brothers shall be permitted by serious criminal act by the India Computers or serious breach of the conditions set forth in paragraphs 5, 6, 8, 9, 12, 13, 21, 22, 23, 24, 25 and 26.

**29.Agreement precedence.** This agreement terminates and cancels all prior contracts, understandings and agreements between the parties.

**30.Dispute resolution.** All claims and disputes by and between the parties shall be subject to arbitration, in accordance with arbitration rules of the International Chamber of Commerce, located in or close to Singapore within a reasonable time, after the dispute has arisen, the award of which shall be final and binding on the parties.

**31. Venue.** This agreement shall be governed by the law of India.

IN WITNESS WHEREOF the parties hereto have executed this agreement

REPRESENTATIVE: COMPANY:

India Computers Distributors Ltd. Brothers Computers International Ltd.

by by

Designation................... Designation……………..

Witness…………….. Witness……………..

SEAL ........................................... SEAL..........................................