SALES AGENCY AGREEMENT

This Sales Agency Agreement is made and effective on this [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the "Principal"), a company organised and existed under the laws of the [COUNTRY], with its head office located at:

 [YOUR COMPLETE ADDRESS]

**AND: [AGENT NAME]** (the "Agent"), an individual with his main address located at OR a company organised and existed under the laws of the [COUNTRY], with its head office located at:

 [COMPLETE ADDRESS]

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained the parties hereto agree as follows:

1. **RECITALS**
	1. The principal is a manufacturer of [PRODUCT] and desires to appoint Agent as general sales Agent for the sale of Principal’s product [IF APPROPRIATE, ADD: AND OTHER REGULAR-LINE PRODUCTS AND ACCESSORIES OF PRINCIPAL] in the following territory: [DESCRIBE TERRITORY].
	2. Agent desires to accept such appointment and to perform all the provisions of this agreement.
2. **DURATION**

The term of the agency created shall be [PERIOD OF TIME], beginning [DATE], unless sooner terminated.

1. **AGENT’S BEST EFFORTS**

Agent agrees to devote Agent’s whole time and best efforts to the business of Principal in the described territory under the direction of Principal’s officers or representatives, and to conform to the best of Agent’s ability with the rules, regulations and instructions of Principal now in force or that may be adopted and mailed to Agent’s address. Agent shall employ salespersons to assist Agent, on such terms and conditions as Principal may require, as set forth in this agreement.

1. **NONDISCLOSURE OF PRINCIPAL’S AFFAIRS**

Agent agrees to keep confidential, such information as Principal may from time to time impart to Agent regarding Principal’s business affairs and customers. The agent will not, in whole or in part, now or at any time, disclose such information.

1. **ASSIGNMENT OF AGENT’S INVENTIONS**

Agent agrees, in view of the confidential information regarding Principal’s business affairs, plans and necessities, that Agent will be in a position to obtain from time to time, and in partial consideration of the commissions agreed to be paid to Agent under this agreement, that Agent, on demand, will assign to Principal, or Principal’s successors or assigns, any inventions or improvements Agent may make during the agency with Principal that relate to Principal’s product. The agent also will sign any papers and do any acts that may be needed to secure to Principal, or Principal’s successors or assigns, any rights relating to such inventions and improvements, including patents in [COUNTRY] and foreign countries.

1. **COMMISSIONS**
	1. Agent, during the term of the agreement, shall receive a commission from the sale of Principal’s product [IF APPROPRIATE, ADD: AND OTHER REGULAR-LINE PRODUCTS AND ACCESSORIES] sold for use in Agent’s territory, whether sold by Agent or by Principal, or others, except as provided in this agreement.
	2. Agent’s commission on sales made pursuant to this agreement shall be as follows: [DESCRIBE].
2. **SALES SUBJECT TO COMMISSIONS**

This agreement shall apply to business procured at the time of visits to Agent’s territory by Principal’s superintendent, and also to all business subsequently procured either by Agent, Principal’s superintendent or other representative of Principal, from customers, previously worked within [NUMBER] months from the date of the latest visit of Principal’s superintendent or another representative.

1. **WHEN COMMISSIONS ARE PAID**
	1. Any commission to be received under this agreement shall not be credited to Agent’s account on Principal’s books until the purchaser has made settlement in full with Principal, either by cash or acceptable notes [SPECIFY] [IF APPROPRIATE, ADD: AND HAS DELIVERED TO PRINCIPAL OR AN AUTHORISED AGENT OF PRINCIPAL ANY RETURNABLE PRODUCTS]. If the settlement is made wholly or in part by purchaser’s notes, Principal may withhold payment of the commission in whole or in part until the notes are paid.
	2. Agent’s account may be charged with the amount of any commission previously paid to Agent or credited to Agent’s account for the unpaid part of the purchase price of [PRODUCT], or the unpaid part of any note given in payment.
	3. When Principal repossesses a product, Agent shall receive commission only on the amount of money paid by the purchaser prior to repossession.
2. **COMMISSIONS ON TRADE-INS**

The principal shall have the right to fix the amount to be allowed for products taken in exchange, and a commission will not be paid on the amount so allowed.

1. **SALES THROUGH OTHER SALES CHANNELS**

Agent waives any claim to a commission on any sales made in Agent’s territory other than through Principal’s offices or regular sales agencies when, in the opinion of Principal, the general conditions of the business in any part of the [COUNTRY] necessitate the sale of Principal’s product through other sales channels.

1. **SALES IN OR FROM OTHER TERRITORIES**
	1. Agent agrees not to enter the territory of any other Sales Agent of Principal for the purpose of selling Principal’s product, or to endeavor, directly or indirectly, to make sales of Principal’s product for use outside of Agent’s territory. Should a purchaser call on Agent voluntarily and purchase Principal’s product for use outside of Agent’s territory, Agent shall receive commissions as follows: [DESCRIBE].
	2. The agent further agrees that, when any other authorised sales Agent of Principal sells Principal’s product for use in Agent’s territory, Agent’s account shall be credited with the regular commission, less the commission paid Agent making the sale.
2. **DISPUTES ON COMMISSIONS**

The principal shall have the right to determine, in any dispute arising between Agent and any other sales Agent of Principal, the right to commission on any sale, and Agent shall abide by and be bound by Principal’s decision.

1. **LIMITATION ON COMMISSION CLAIMS**

Agent waives all claim for commission on sales of Principal’s product, whether made by Agent or others and all other claims of any nature whatever if the claim is not made within [MONTHS] from the date of termination of this agreement.

1. **AGENT NOT TO SHARE COMMISSION**

Under no circumstances, without permission of Principal, may Agent give any part of Agent’s commission to any assistant, local Agent or another person to assist Agent in making a sale.

1. **CONTENTS OF ORDERS**
	1. All orders for Principal’s product shall be taken on printed forms furnished by Principal, and all such orders shall be sent to Principal immediately after being signed by purchasers. The orders shall contain all conditions and agreements of every nature whatsoever between the parties to the sale, it being agreed that Principal shall not be responsible for promises or conditions not specified on the orders. Principal’s product shall not be sold for more or less than the list price established by the Principal.
	2. If Principal is compelled to make any concessions to customers or incur any expense by reason of a violation of these requirements, the amount of the expense may be charged to Agent’s account.
2. **ACCEPTANCE OF ORDERS BY PRINCIPAL**

Orders taken by Agent shall not be binding until accepted by Principal. Principal reserves the right to reject any order when, in the judgement  of Principal, the product ordered may not be suitable to the business of the customer.

1. **AGENT NOT TO COMPETE**

Agent, having agreed to devote Agent’s whole time to Principal’s business, shall not purchase or deal in [PRODUCT] on Agent’s own account in any way during the continuance of this agreement. Agent will not engage, directly or indirectly, either for Agent or as employee of any other party, in manufacturing, buying, selling or dealing in [PRODUCT], in the territory described, for a period of [PERIOD OF TIME], after the termination of the agency created by this agreement, without the written consent of Principal.

1. **REPAIRS AND MAINTENANCE OF PRODUCT**

Agent shall promptly and properly make necessary repairs on Principal’s product in Agent’s territory if such repairs can be made by Agent, and to cooperate with and aid Principal in making all other such repairs in Agent’s territory, in such manner as Principal may direct.

1. **COMPROMISE AND COLLECTION OF ACCOUNTS**

A. The principal shall have full control of and discretion as to the collection, adjustment or compromise of any or all accounts for Principal’s products sold by Agent. If Principal requests Agent to make any collection, or to obtain possession of Principal’s product or other property, whether the request relates to a sale made by Agent or any Agent that preceded Agent in the territory, Agent shall do so promptly.

B. The principal shall determine whether to take a lien on Principal’s product sold by Agent. Principal shall not be liable to Agent for any loss of commission or other claim, by reason of failure to take such lien, or by reason of any compromise or adjustment of any account or accounts or notes for products sold by Agent, or any failure for any reason to collect any part of the account or notes.

1. **REMITTALS BY AGENT**

Agent agrees to remit [DAILY/WEEKLY] to Principal, in the manner prescribed by [THE TREASURER], of Principal or to deposit [DAILY/WEEKLY] in a bank or other financial institution designated by Principal’s [TREASURER], all money, checks and draughts received by Agent for Principal, including any received for repair parts and supplies sold. In no event will Agent use any money collected for Principal to defray the expenses of the agency, or for any other purpose, or deposit the funds in any bank or other financial institution to Agent’s own credit.

1. **AGENT’S EXPENSES**

All expenses for travel, entertainment, office, clerical, office and equipment maintenance, and general selling expenses that may be incurred by Agent in connection with this agreement will be borne wholly by Agent. In no case shall Principal be responsible or liable for such expenses.

1. **ACCOUNTING ON TERMINATION**
	1. Agent authorises Principal, on termination of the agency created by this agreement, to pay any outstanding indebtedness, including amounts due Agent and Agent’s employees incurred in the management of the agency, and to charge the amount to Agent’s account. The principal shall not be bound to pay any such indebtedness unless Principal elects to do so. Payment of part of Agent’s indebtedness by Principal shall not raise any obligation on Principal’s part to pay the whole of the indebtedness. An assignment of Agent’s account, or any part of it, shall not be binding on Principal unless accepted in writing by Principal’s [TREASURER].
	2. On termination of this agreement, Principal shall proceed in a customary manner to collect notes and open accounts for purchases of Principal’s product sold by Agent and shall charge against Agent’s account the commission previously credited on such amounts of notes and accounts as are uncollected. The principal also shall charge Agent’s account with Agent’s proportion of any collection expense. This provision shall continue in force until a final account can be stated; no money shall be due Agent under this agreement after its termination until the final account can be stated.
2. **OBJECTIONS TO ACCOUNTING; LIMITATIONS**

Agent agrees that all objections to statements of account rendered by Principal are waived unless written notice is given by Agent and unless such notice reaches Principal within [NUMBER] days after rendition of the statement by Principal.

1. **SURETY BOND OF AGENT**

Agent agrees to furnish Principal with a fidelity bond of [AMOUNT], to be issued by a responsible surety company and conditioned on the faithful performance of Agent’s duties in the agency created by this agreement. All premiums on such bond shall be paid by Agent.

1. **EXAMINATION OF AGENT’S ACCOUNTS**

Agent agrees that officers or authorised representatives of Principal shall have, on demand, access to and the right to examine and make copies of all books of accounts, vouchers and papers of Agent, in order to ascertain whether the business of Agent is being conducted in a manner satisfactory to Principal.

1. **DISPOSITION OF PRODUCTS; CONSIGNMENT**
	1. Agent agrees, on demand, to account for and deliver to Principal, in good condition, all products charged to Agent’s consignment account. If Agent fails to deliver any product, the product may be charged to Agent’s account at list price, if Principal so elects, but nothing contained in this agreement shall prevent Principal from exercising other legal remedies to recover possession of such products.
	2. In the event any of Principal’s products shall have been kept on consignment by Agent for such period of time that they have become unsaleable as new, Principal may order their return to the factory, in which event the freight charges from Agent’s office to the factory shall be paid by Agent.
2. **INSURANCE PREMIUMS; TAXES**

The principal shall insure against loss by fire all products delivered on consignment to Agent, charging the premium paid for the insurance to Agent’s account. Agent shall pay all personal property taxes levied on consigned products, or shall pay such tax as may be levied in lieu of a personal property tax.

1. **COMPLIANCE WITH LAWS**

Agent agrees, for the benefit of Agent’s employees and subagents, to comply in all respects with the workers’ compensation laws of any state or states of which Agent’s territory may be a part, and to pay the premiums and other costs and expenses incident to such coverage.

1. **CUSTOMER LIST; SALES CALLS**
	1. Agent agrees to keep a list of probable purchasers, and also a list of users, of Principal’s products in Agent’s territory. Both lists shall show the name, nature and address of each business concern listed. The user’s list shall also show the style and factory number of Principal’s product in use.
	2. Agent agrees to send to Principal, on the form furnished by Principal, a list of all persons called on by Agent or Agent’s employees in connection with Principal’s business. The list shall show the name, nature and address of each business concern called on, and the object and results of the call.
2. **DEPRECIATION OF AGENCY PROPERTY**

The office furniture, personal property and fixtures used by Agent in Principal’s business shall be invoiced and appraised at least once each year by Agent and a representative of Principal, and a deduction of not less than [%] per year shall be made to cover wear and tear in ordinary depreciation.

1. **PURCHASE OF AGENCY PROPERTY**

The principal shall have an option of purchase of all or any part of the supplies, repair parts, vehicles and sundries in stock or on hand at the time of termination of the agency, at the current price, less proper deductions for obsolescence and depreciation if any. Such price shall be paid to Agent or credited on Agent’s account with Principal, as Principal may elect **EMPLOYMENT OF SUBAGENTS**

Agent agrees not to employ any salespersons to assist in the agency, except under written agreement by the terms of which Principal shall be released from all liability for any indebtedness from Agent to such salespersons. Agent agrees not to employ any person until Agent has supplied Principal with full particulars regarding such person, on the form furnished by Principal, giving the person’s name, record, previous occupation, etc., and until Principal’s assent to such employment has been received.

1. **MODIFICATION AND TERMINATION**

Principal at any time may alter and change the boundaries and territory covered by this agency agreement. The agency created by this agreement may be terminated by either party by written notice mailed or delivered to the last known address of the other party. This agreement covers all agreements between Agent and Principal relating to the employment of Agent for the handling of Principal’s product.

1. **GOVERNING LAW**

The enforcement and interpretation of this agreement shall be governed by the laws of the [COUNTRY]

The parties have executed this agreement at [DESIGNATE PLACE OF EXECUTION] the day and year first above written.

PRINCIPAL AGENT

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title