SALES AGENCY AGREEMENT

****

This Sales Agency Agreement (the “Agreement”) is effective [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the "Company"), a company organised and existing under the laws of the [STATE/PROVINCE] of [COUNTRY], with its head office located at:

[YOUR COMPLETE ADDRESS]

**AND: [COMPANY NAME]** (the "Sales Agent"), a company organised and existing under the laws of the [STATE/PROVINCE] of [COUNTRY], with its head office located at:

[COMPLETE ADDRESS]

WHEREAS The Company desires to engage the services of the Sales Agent in the capacity of independent sales agent in the Territory, as hereinafter defined, and the Sales Agent desires to provide his services to the Company in the capacity of independent sales agent on the terms and conditions hereinafter set out.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the premises and mutual covenants and agreements hereinafter contained, it is agreed by and between the parties hereto as follows:

1. **TERM OF AGREEMENT**

This Agreement shall become effective upon the date of its execution (which shall be taken to mean the date first appearing on page one hereof), and shall continue in full force and effect (unless sooner terminated in one of the manners provided hereinafter) for [NUMBER] full year from said date. Furthermore, this Agreement shall continue in full force and effect for successive one-year periods from and after the initial year term hereof, provided that the Sales Agent has complied with all the terms and conditions hereof and both parties hereto mutually agree upon the terms and conditions of renewal.

1. **SALE OF PRODUCTS**
   1. The Sales Agent will act as exclusive Sales Agent for the Company in the following territories (hereinafter referred to as the “Territory”), namely:
   2. The Sales Agent agrees to sell and promote the sale of such of the products of the Company as the Company may from time to time designate, at such prices and on such terms and conditions as the Company shall specify and approve (hereinafter referred to as “Company Products”). Without limiting the generality of the foregoing, it shall be the responsibility of the Sales Agent to sell the Company’s line consisting of the following products:

Without incurring any liability to the Sales Agent, the Company shall have the right at any time and from time to time to modify the specifications or features or to discontinue the sale of any products.

* 1. The Sales Agent shall devote his full time and attention to the sale of the Company’s Products, and shall regularly call upon all customers and potential new customers within the Territory to solicit orders for products of the Company therefrom, and shall at all times use his best efforts, in good faith, to promote the interests of the Company in the sale of such products.
  2. All orders received by the Sales Agent from customers shall be transmitted to the Company on a regular basis, at its principal office, and no order received shall be binding upon the Company or the customer until same has been accepted by the Company and approved by the Company’s credit department. The Sales Agent shall have no authority to accept any orders received by him.
  3. The Sales Agent agrees and undertakes to abide and comply with all sales policies and operating procedures of the Company, as established and issued by the Company from time to time, so long as they are not in conflict with [COUNTRY] [YOUR COUNTRY LAW] and governmental regulations.

1. **COMMISSIONS**
   1. The Company agrees to pay the Sales Agent a commission of [PERCENTAGE %] on all orders emanating from the Territory, whether received directly from the Sales Agent’s place of business or from the Sales Agent’s salesmen in the Territory or by mail or telephone directly from purchasers situated within the Territory. Commissions are calculated on the net invoice amounts actually received by the Company from purchasers in the Territory in payment of orders for products. For the purposes hereof, “net invoice amounts” shall be defined as the gross invoice value of orders, less deductions for sales taxes, cost of insurance, cost of freight and other transportation charges, and any allowance or discounts granted to customers.
   2. All commissions due to the Sales Agent hereunder shall be payable on or before the 30th day of the month following the date of shipment of the Company Products.
   3. Notwithstanding anything herein to the contrary, the Sales Agent shall not be entitled to commissions on the Company Products:

3.3.1 that are returned to the Company;

3.3.2 for which the account receivable is written off as a bad debt by the Company’s credit department because the purchaser is insolvent or bankrupt, is winding-up its business or has made a general assignment for the benefit of its creditors or any other similar situation where the account receivable in question is uncollectible in the opinion of the Company; or

3.3.3 for which payment is not received by the Company within [NUMBER] days after the invoice date, even if payment is eventually received after such one hundred and [NUMBER] day period.

* 1. The amount of commissions paid to the Sales Agent with respect to the Company Products for which the Sales Agent is not entitled to commissions, as provided for in Article [NUMBER] (i), (ii) and (iii), shall be deducted directly from any future commissions payable to the Sales Agent.
  2. The commissions contemplated hereby shall be the sole and exclusive consideration to be paid by the Company to the Sales Agent for the Sale Agent’s services hereunder, and the Sales Agent shall have no right to reimbursement for any expenses incurred in the Sales Agent’s performance of its obligations hereunder.
  3. The Sales Agent agrees and undertakes to use his best efforts to promptly assist the Company *in situ*ations where purchasers are delinquent in the payment of their accounts.

1. **INDEPENDENT CONTRACTOR**

The Sales Agent shall at no time represent or hold itself out as having any apparent or express authority to incur any debt or liability for or on behalf of the Company, and at no time, without the express written authorisation of the Company, shall the Sales Agent so incur any such indebtedness for or on behalf of the Company. It is understood and agreed by the Sales Agent that this Agreement shall not be construed as an employment agreement and, further, that no representations will be made or acts taken by the Sales Agent which could establish any apparent relationship of agency, joint venture or partnership, and the Company shall not be bound in any manner whatsoever by any agreements, warranties or representations made by the Sales Agent. The Sales Agent shall not establish any bank account, make any purchase, apply for any loan or credit or incur or permit any obligation to be incurred in the name or on the credit of the Company. This Agreement is merely a relationship that exists between independent contractors with neither party being able to commit the other.

1. **NON-COMPETITION**

The Sales Agent will not represent in any manner whatsoever any other product line that is the same, similar or competitive with the products set out in Article [NUMBER] hereof. The Sales Agent shall discuss with the Company any undertakings that are contemplated for the representation of any other product lines prior to the Sales Agent proceeding to promote, distribute and sell such products. Any failure to obtain prior written consent from the Company in this connection shall constitute an automatic breach of this Agreement and the Company may immediately terminate this Agreement without further notice.

1. **TERMINATION**
   1. Either party may terminate this Agreement during its term, or any extension thereof, without cause, by giving the other party [NUMBER] days’ prior written notice of its intention to so terminate and this Agreement shall terminate automatically at the end of such [NUMBER] day period.
   2. Any equipment, catalogues, material, records or other data at any time furnished to the Sales Agent by the Company shall at all times be deemed to be the property of the Company, of which the Sales Agent shall be the bailee. Upon termination of this Agreement, all such property shall be returned to the Company, at the Sales agent’s expenses, and failure of the Sales Agent to do so shall entitle the Company to charge the value thereof to the commission account of the Sales Agent.
   3. The Sales Agent will be paid commissions on all orders from purchasers situated within the Territory and duly accepted by the Company prior to the termination of this Agreement, regardless of whether such orders may be shipped subsequent to such termination.
2. **ASSIGNABILITY**

The Sales Agent has no right to assign this Agreement or any interest thereunder without the express written consent of the Company.

1. **INDEMNITY**

The Company shall indemnify and hold the Sales Agent harmless from and against any and all claims, demands, liabilities, losses, costs, damages and expenses, including, without limitation, claims for wrongful death, personal injury or property damage, arising out of or in conjunction with property liability actions or defective product manufacture.

1. **TRADE MARKS**

The Sales Agent agrees to conspicuously display such signs and other identification of the Company, such as Trade Marks and brand names at each of its locations as shall be necessary for the proper marketing of the Company Products, subject to the following terms and conditions as to such usage:

* 1. The Sales Agent undertakes not to use the Company Trade Marks and brand names or any imitations or parts thereof, or any confusingly similar name or trade mark, as a trade name or as part or all of a corporate, commercial or business name. The Sales Agent undertakes not to use or publicise the Company Trade Marks in any way, except to specifically identify the Company Products, or to identify itself as an authorised sales agent of same. The Sales Agent also undertakes not to use the Company Trade Marks or brand names, either as a trade mark, a trade name or otherwise to carry on business, promote or distribute any product except the Company Products. The Sales Agent undertakes not to use the goodwill related to the Company Trade Marks or brand names in order to promote, sell or distribute any products except the Company Products.
  2. By the use of the Company’s trade names, Trade Marks and brand names in any manner by the Sales Agent, the Company shall not be liable to any person, firm or company for any injury or damage, either to person or property, arising from any cause whatsoever, which shall occur in any manner in or about the Sales Agent’s premises and the Sales Agent agrees to indemnify, defend and hold the Company harmless from any such damages for personal injuries, death or property damage arising from acts of the Sales Agent, its agents, servants, employees, invitees and licensees, including attorney fees and other litigation costs reasonably incurred by the Company should the Company be made to defend any action arising therefrom. The Sales Agent shall, in this connection, at its own expense, carry public liability insurance in sufficient amounts to protect the Company from the foregoing liabilities.
  3. In the event of the termination of this Agreement for any reason whatsoever, the Sales Agent undertakes not to further use the aforesaid sign or signs and to immediately discontinue the use of same, by removal if necessary, and the Sales Agent shall immediately cease to identify or announce itself as a Sales Agent of the Company Products and shall not associate the Company Trade Marks and brand names or any imitations or parts thereof with any other products or services. More particularly, for and in consideration of the present Agreement, the Sales Agent recognises and accepts that the Company, upon payment of a lump sum of [AMOUNT], will then be vested in the property and become the exclusive owner of those portions of the sign or signs embodying the Company Trade Marks, as the case may be, that are deemed irrevocably to be moveable and that the Company shall be, at its option and discretion and at a time it pleases, entitled to cause the removal of those portions of the sign or signs.
  4. The Sales Agent undertakes to use the Company Trade Marks in conformity with the quality standards, markings and controls established from time to time by the Company. The Sales Agent accepts and recognises that strict compliance with the aforesaid standards; markings and controls is a condition essential to the continuance of this Agreement and that any failure to comply therewith will automatically entitle the Company to terminate this Agreement.
  5. The Sales Agent recognises that the Company and the Company of [COUNTRY] are the exclusive owner of all the rights, titles and interests in and to the Company Trade Marks and the goodwill attached thereto and agrees that the property of the Company Trade Marks and related goodwill shall remain vested in the Company and the Company, both during the term of this Agreement and thereafter, and the Sales Agent agrees never to challenge, during the terms of this Agreement or any time thereafter, the validity of the Company Trade Marks, the registrations thereof or the related goodwill or the Company’s and the Company’s full and exclusive ownership of said Company Trade Marks, registrations and goodwill and agrees further that the use thereof by the Sales Agent is made on behalf of the Company and the Company through this Agreement.
  6. The Sales Agent recognises that the Company is, for the purpose of this Agreement, the exclusive agent and representative of the Company and the Company, fully empowered to enter into this Agreement and accordingly the Sales Agent undertakes to never challenge, at any time whatsoever, the status of the Company

1. **WAIVER**

The Company shall not be deemed to have waived any of the terms, conditions or provisions of this Agreement unless same shall be in writing, and no such waiver shall constitute a waiver of any subsequent occurrence of the same or similar act or omission, or of any other act or omission which may constitute a breach of this Agreement.

1. **CONSTRUCTION**

This Agreement shall be performed, interpreted and construed in accordance with the [YOUR COUNTRY LAW] of the [STATE/PROVINCE].

1. **COMPLETE AGREEMENT**

This Agreement constitutes the entire Agreement of the parties and supersedes any and all prior agreements, arrangements, undertakings, representations or warranties regarding the subject matter hereof.

1. **SEVERABILITY**

If any clause or provision of this Agreement shall be deemed unenforceable by any court of competent jurisdiction, such clause shall be reduced to the maximum time, area or scope permitted by [YOUR COUNTRY LAW], or if not subject to such reduction, then such clause or provision shall be deemed severed herefrom and shall not affect any other clause or provision of this Agreement, and the other provisions of this Agreement shall remain in full force and effect.

1. **ACKNOWLEDGEMENT**

The Sales Agent agrees and acknowledges that he has had an opportunity to consider each and every provision contained in this Agreement and has had an opportunity to seek independent legal advice with respect to each and every provision of this Agreement and hereby agrees that all provisions of this Agreement are reasonable and valid and all defence to the strict enforcement thereof by the Company are hereby waived by the Sales Agent.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

## COMPANY SALES AGENT

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title