

AGREEMENT FOR APPOINTMENT OF SOLE SELLING AGENT BY MANUFACTURING COMPANY

AN AGREEMENT made on this.....day ofBETWEENcompany, manufacturers of.....(hereinafter called the manufacturers) of the one part AND.....(hereinafter called the sole agent) of the other part.

WHEREAS the manufacturers are engaged in the manufacture ofand are desirous of appointing a sole selling agent for the sale of the same.

AND WHEREAS the sole agent has approached the manufacturers for appointment as the sole selling agent for.....goods of the manufacturers and is willing to perform the duties as such.

NOW THIS AGREEMENT WITNESSES as follows :

(1) The manufacturers appoint.....as the sole selling agent for the goods manufactured by them for the area comprising.....The sole agent shall have exclusive right to sell the goods of the manufacturers in the aforementioned area.

(2) This appointment is being made by the Board of Directors subject to the condition that the appointment shall cease to be valid if it is not approved by the company in the first general meeting held after the date of this appointment (Approval by the company in the first general meeting held after the date of appointment is mandatory under section 294 (2) of the Companies Act, 1956.

(3) This appointment shall last for a period of five years computed from the date of this agreement. It may, however, be extended for further periods not exceeding five years on each occasion. (Under section 294 (1) of the Companies Act, 1956, no company shall appoint a sole selling agent for a term exceeding five years at a time.)

(4) The manufacturers undertake not to sell their goods in retail below the following prices.

(5) The sole agent shall not sell the goods in retail below the prices mentioned under Cl. 4 of the agreement.

(6) The following prices, based on present market quotations, shall be payable to the sole agent to the manufacturers.

(7) For the first year the prices mentioned in Cl. 6 shall be binding on the parties. Thereafter the prices shall be liable to increase or decrease according to fluctuation in market quotations.

(8) The sole agent shall be entitled to a commission of 3-1/2 per cent. on the sale price of the goods.

(9) The sole agent shall have 20 days credit for payment of price of goods after receipt of goods.

(10) The manufacturers shall not effect direct sales of goods within the area mentioned in Cl. (1). All inquiries, orders and correspondence which the manufacturers receive in relation to that area shall be forwarded to the sole agent to be dealt with.

(11) The sole agent may appoint sub-agents and representatives for the area covered by the sole agency. The manufacturers shall not enter into any correspondence or dealings, direct or indirect, with them.

(12) The manufacturers agree to execute the orders placed by the sole agent so far as the goods available with them permit. Neither do the manufacturers guarantee minimum supply of goods to the sole agent nor is the latter bound to place order for any minimum quantity of goods.

(13) In case the terms of this appointment are varied by the Central Government in exercise of its power under section 294 (5) ©, Companies Act, 1956, this appointment shall, as from the date as may be specified by the Central Government in its order of variation of terms, be regulated by the terms and conditions as varied by the Central Government.

IN WITNESS WHEREOF the parties hereto have signed this agreement on the day and year first written above.

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