

APPOINTMENT OF SELLING AGENT FOR A DISTRICT OR TOWN

THIS AGREEMENT is made on this.....day of BETWEEN AB son of CD, dealer in.....at.....(hereinafter called the “principal”) of the one part and OP son of XY resident of.....(hereinafter called the “agent”) of the other part.

WHEREAS, the principal is a dealer in.....and is willing to appoint a suitable party as sole agent for the town of.....(or district of.....)

AND WHEREAS, the agent has approached the principal and has expressed his consent to act as the sole agent of the principal.

NOW THIS AGREEMENT WITNESSES as follows :

1. That the agent is hereby appointed the sole agent of the principal for the town of.....(or district of.....) (hereinafter called the agency district) for the purposes of marketing sales of the principal’s goods for the terms of.....years from the date hereof on the terms and conditions set forth hereof on the terms and conditions set forth hereunder.

2. That the agent shall not while selling the principal's goods make any representation in the trade to give any warranty other than those contained in the principal's printed current price list.

3. That the agent shall be allowed to deduct and retain with himself.....per cent of the list price of all goods sold on behalf of the principal. The agent shall keep a record of all sales and shall remit to the principal regularly on each Saturday all sums received by the agent in respect of such sales less..... per cent as his commission. All sales shall be made for cash against delivery of goods unless the principal's consent in writing to give credit to any particular purchaser be in any case first obtained and in the case of credit sales the principal may direct for such increase in the price of his goods over and above the current list price of the principal.

4. That the agent shall not make, purchases on behalf of nor in any manner pledge the credit of the principal without the consent in writing of the principal.

5. That the agent shall at the expense of the principal take on rent and occupy for the purpose of the agency suitable premises with prior approval of the principal and shall keep insured for the full value against all risk of all goods entrusted to his custody by the principal under this agreement and on request by the principal shall, produce to the principal receipts for the rent rates and taxes of the said premises and for the premiums on insurance policies showing that the same have been paid on or about their

respective due dates. The agent shall bear all expenses relating to or incidental to the agency.

6. That the agent while selling to persons in the trade shall obtain the purchasers signature to an agreement to the following effect :

(1) That the said principals goods shall not directly or indirectly be resold outside the agency district

(2) That the said principals goods shall not be resold to the public below the full list price for the time being.

7. That the agent shall in all his commercial dealing and documents and on the name-head indicating his place of business describe himself as selling agent for the principal.

8. That a breach of the condition in Cl. 6 hereof shall entitle the principal to put an end to this agreement forthwith and also to recover from the said agent by way of liquidated damages the sum of Rs..... for each such article sold in breach of such clause. The agent undertakes that all purchasers to whom he may sell the principals goods shall duly enter into, and carry out the aforesaid agreement referred to in Cl. 6 hereof and a breach by any purchaser of any such agreement shall for the purposes of this agreement be deemed to be a breach of Cl. 6 of this agreement by the

agent and give the principal the rights and remedies against the agent for breach by the agent of this agreement .

9. That the principal shall keep with the agent a stock of his goods free of all expenses of delivery to the value of Rs..... according to the principals current price list and the principal further undertakes to replenish such stock in the close of each month so as to keep it at the agreed value : Provided always that the agent shall have no right of action against the principal for delay resulting from shortage of stock, delays in transit accidents, strikes or other unavoidable occurrence in replenishing such stock . The principal shall always have the right without any prior notice to cause a stock checking of the said goods and on any shortage or deficiency found on such stock-taking the agent shall on demand pay to the principal the list price of such shortage or deficiency less the deduction by way of commission or rebate receivable by the agent. The agent shall not alter, remove, or tamper with the marks or numbers on the goods so entrusted into his custody.

10. That the agent shall not sell the goods of the principal to any purchaser except at the full current price list of the principal published by him from time to time. The agent may while selling principals goods allow a discount or rebate of ..... per cent.

11. That in the event of any dispute arising between the agent and a purchaser of the principal's goods, the agent shall immediately inform the principal of the same and shall not without the principal's approval or consent in writing take any legal

proceedings in respect of or compromise such dispute or grant a release to any purchaser of the principal's goods.

12. That either party may terminate this agreement at his option at any time after the expiration of.....years by giving to the other one month's notice in writings.

13. That the benefits under this agreement shall not be assignable to any other person.

14. That during the currency of this agreement the principal shall redirect all inquiries or orders for principal's goods received by him from persons residing in the agency district of the said agent and in the event where the principal supplies such purchasers directly he shall allow the agent the same commission or rebate as the agent would have been entitled to retain if he had carried out such transaction. A certificate under the signature of the principal's accountant of the amount of such commission or rebate payable to the agent shall be conclusive evidence of such amount. Such remuneration shall be payable to the agent (half-yearly or monthly). The agent undertakes to refer to the principal all enquiries or orders for the principal's goods from persons residing outside the agency district of the agent and similar enquiries or orders from persons residing in the agency district for the purpose of re-sale outside the said district and the agent shall not be entitled to any commission or rebate in respect of any sale resulting from any such enquiries or orders.

15. That the agent shall always during the existence of this agreement devote his whole business, time and energy for pushing the sale of the principal's goods and shall in all such dealings act honestly and faithfully to the principal and shall carry out orders and instructions and shall not engage or be interested either directly or indirectly as agent or servant in any other business or trade without the prior consent in writing of the principal.

16. That on the termination of his agreement for any reason whatsoever the agent shall not for the period of one year solicit trade orders from the persons who had been purchasers of the principal's goods any time within (seven) years immediately preceding the date of such termination and the agent shall not for a period of one year engage or be interested as agent or servant in any business, firm or company manufacturing, selling or dealing in goods similar to those transacted by the principal.

17. That all goods shall be sold by the agent for delivery at agent's place of business but the agent shall at his own expenses have the right to deliver goods to purchasers at their places of business.

18. That without prejudice to any other remedy he may have against the agent for any breach or non-performance of any part of this agreement the principal shall have the right summarily to terminate this agreement-

(i) On the agent being found guilty of a breach of its provisions or being guilty of misconduct or negligence of his duties.

(ii) On the agent absenting himself from his business duties entrusted to him under the agreement for four or five days without the principal's prior permission in writing :

(ii) On the agent committing an act of bankruptcy.

19. That in the event of any dispute arising out of or in relation to or touching with the agreement the same shall be decided by arbitration in accordance with the provision of the Arbitration Act of 1940.

20. That the principal shall be entitled to terminate this agreement by giving one month's notice in writing to the agent in the event of his ceasing to carry on the said business of the principal.

21. That on the termination of this agreement for whatever reason the agent shall forthwith deliver to the principal all the unsold stock of goods and shall pay to the principal for the shortage or deficiency or stock at list prices less commission and rebate allowable to the agent. The agent shall also deliver to the charge of the principal all books of account and documents of the agency, cash, cheques, bills of exchange or other securities he may have received during the normal course as a result of sales of the principal's goods and shall transfer, assign or negotiate in favour of the principal all such securities on demand.

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

.....

(Agent)

.....

(Principal)