

AGREEMENT BETWEEN MANUFACTURER AND SOLE SELLING AGENTS  
WITH CANVASSING RIGHTS

THIS AGREEMENT made on this ..... day of ..... 2000, between XYZ Pharmaceuticals Ltd., a company incorporated under the Companies Act, 1956 and having its registered office at ..... hereinafter called "the company" (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) of the ONE PART; and ABC Pharmaceuticals Distributors Ltd., a company incorporated under the Companies Act, 1956 and having its registered office at ..... hereinafter called "the distributor" (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) of the OTHER PART:

WHEREAS the company is engaged in the manufacture of several medicines and has decided to appoint a sale selling agent for the whole of India with canvassing rights and the distributor has agreed to work as such;and

WHEREAS the distributor is being appointed at sole selling agents having exclusive right to sell the medicines manufactured by the company in whole of India; and

WHEREAS the Board of Directors of the company is making this appointment, subject to its approval by the company in its first annual general meeting held after the date of this appointment and approval by Central government.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. The company appoints the distributor as sole selling agents for the sale of all the medicines manufactured by it in the whole of India and the distributor agrees to act as such sole selling agents for the whole of India on the terms and conditions contained herein.;
2. The appointment will be for a period of five years commencing from the date of this agreement. However, it may be extended for further periods not exceeding five years on each occasion.
3. The distributor shall canvass for, secure orders and push the sale of the medicines manufactured by the company to the best of its ability and experience in the whole of India and guarantees to secure orders for the sale of medicines to the extent of the value of Rs. .... in a year commencing from the date of this agreement.

4. The distributor will advertise the company products at its own cost and expenses by advertisements in newspapers, journals, magazines, cinema slides or by any other means. However, the company may advertise at its own costs at its discretion whether in newspapers, journals, cinema slides or by any other means and shall indicate the name of the distributor as its sole selling agents.

5. The distributor shall employ medical representatives at its own cost and expenses for canvassing the company products amongst the doctors, hospitals, nursing homes, etc. The distributor shall also employ servants, staff at its own cost and expenses for doing the business of sole-selling agency.

6. The distributor will be entitled to appoint sub-agents for any State/District or any particular area in the country and on such terms and conditions as the distributor may think fit. However the company shall not be liable for any dealing between the distributor and its sub-agents.

7. The distributor shall submit to the company weekly return of the business secured, the doctors and hospitals approached and canvassed during the previous week.

8. The distributor shall forward to the company the orders booked and enquiries received by it not later than two days from its booking. The distributor

shall remit the money received by it in advance from the customers to the company and an account thereof shall be submitted to the company every Friday.

9. The distributor shall not make any representation on behalf of the company except in conformity with the instructions issued by the company.

10. The distributor shall book orders of the company's products on the terms and conditions mentioned in the Schedule attached hereto. The terms and conditions shall be subject to change by circulars or instructions by the company from time to time and the distributor will be bound to follow the instructions issued by the company from time to time.

11. The company shall pay a commission of ..... % on all orders received directly or indirectly from the customers through the distributor, which have been executed by the company. The company shall make payment of the commission to the distributor at the end of every month.

12. During the term of this contract, the distributor shall not sell or attempt to sell the medicines for any other Indian or foreign company.

13. The agency may be terminated by the company, at any time during the agency period of five years, after giving one month's notice thereof, in case the distributor fails to comply with the instructions issued by it or if it omits to comply with its obligation imposed upon it under this agreement or if the distributor fails to obtain or procure orders for the minimum guaranteed amount or if the company feels that the distributor is guilty of any conduct, which is prejudicial to the interest of the company and in this matter the decision of the Board of Directors of the company will be final. The distributor may also terminate this agreement at any time during the agency period, after giving one month's notice thereof, if the company fails to execute the orders booked by the distributor or if the medicines supplied by it are sub standard or if the company without just cause withhold the payment of the commission due to the distributor under the agreement for a period of three months.

14. The distributor shall be responsible to make the payment of the medicines supplied by the company on the orders received by the distributor, if the constituent to whom medicines were supplied by the company refuses to pay for the same within two months of the receipt of medicines. The distributor shall be liable as the surety for the payment of orders booked by it.

15. The distributor shall deposit a sum of Rs..... with the company to ensure the obligations imposed upon it under this agreement. The said sum shall

not carry any interest. The said sum will be repayable to the distributor after one month of the termination of the agreement after adjustment of accounts between the parties.

16. Any and all disputes, controversies, differences arising between the parties hereto out of or in relation to this agreement or any breach thereof shall be finally settled by arbitration by two arbitrators, one to be appointed by each party to the dispute and the arbitrators shall, before taking upon themselves the burden of reference appoint an umpire. The award given by the arbitrators or umpire as the case may be, shall be, final and binding on the parties.

17. At the termination of this agreement whether by efflux of time or otherwise, the company shall not be liable to pay any commission to the distributor for the orders received after the expiry of agency period.

18. This agreement shall be executed in duplicate. The company shall retain the original and the distributor the duplicate. Each party shall bear the stamp duty payable in respect of its copy.

19. Unless otherwise agreed upon, the respective addresses for communication in respect of any matter relating to this agreement shall be as under:

For the Company:.....

For the Distributor:.....

IN WITNESS WHEREOF the parties have caused their common seal to be affixed to these presents and a duplicate thereof, the day, month and year first; hereinabove mentioned.

#### Schedule

The common seal of XYZ Pharmaceuticals Ltd. was hereunto affixed pursuant to the Resolution of its Board of Directors passed on..... day of ..... 2000, in the presence of S/Shri ..... and ..... directors of the Company, who have signed in token thereof

The common seal of ABC Pharmaceuticals Distributors Ltd., was hereunto affixed pursuant to the Resolution of its Board of Directors passed on ..... day of.....2000, in the presence of S/Shri..... and..... directors of the company who have signed in token thereof.

WITNESSES;

1.

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