**CONTRACT ?4  
AGENT AGREEMENT**  
  
\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter called "the Principal", on the one part, and Messrs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter called "the Agent", on the other part, have herein agreed as follows:

**I**

The Principal grants the Agent an exclusive right to sell, on the territory \_\_\_\_\_\_, hereinafter called "the agreed territory" the following equipment and machinery bought from the Principal, hereinafter called <the equipment>: \_\_\_\_\_\_\_\_ hereinafter called <the Principal>, on the one part, and Messrs. \_\_\_\_\_\_, hereinafter called <the Agent>, on the other, have herein agreed as follows:  
  
Any sale by the Agent of the equipment on any territory other than the agreed territory may take place only with the written consent of the Principal.  
  
  
The Principal will have the right to sell the equipment on the agreed territory directly to third parties, if:  
1. The transaction is concluded on the basis of an offer made by the Principal prior to the conclusion of this Agreement;  
2. The Agent has refused to buy the equipment offered by the Principal;   
3. The equipment is part of a barter transaction;  
4. The equipment is a component part of equipment supplied by the Principal to another customer;  
5. This Agreement has terminated under Articles VI and IX;  
  
6. The equipment is supplied to governmental bodies or organizations situated on the agreed territory. Such sales will not constitute infringement of the terms and conditions of this Agreement, and the Agent will have no right to commission.  
Except for the cases mentioned above, when the Principal sells the equipment on the agreed territory directly to third parties the Agent will have the right to receive commission the amount of which will be fixed in each case by special arrangements between the Principal and the Agent depending on the volume of the sale.

**II**

In pursuance of this Agreement the parties will conclude contracts between themselves for the delivery of the equipment and spare parts.

**III**

The equipment bought from the Principal will be sold by the Agent to third parties in his own name, but factory marks and signs on the equipment must be left intact.

**IV**

Prices to be paid by Agent for the equipment bought from the Principal will be fixed in contracts concluded between the parties under Article II of this Agreement.  
The difference between the price, at which the Agent buys the equipment from the Principal, and the price, at which he sells the equipment, will constitute the Agent's commission and will cover all overhead expenses connected with advertising and selling the equipment.  
The Agent undertakes to sell the equipment, bought from the Principal, at prices not detrimental to the sales of the equipment due to the prices being too high.

**V**

Within the period of operation of this Agreement and contracts concluded between the parties the Agent undertakes:  
1. To guard, bona fide, the interests of the Principal, constantly increasing the purchases of the equipment.  
2. Each quarter, not later the 15th day of the following month, to submit to the reports on his activities in the marketing of the equipment sold under this Agreement, attaching copies of the bills drawn on his purchasers, and, within the same period of time, to send the Principal information on market conditions and on the activities of the Principal's competitors, in particular on prices, terms and conditions in their sales of similar equipment.  
  
3. Not to represent, either directly of indirectly, on the agreed territory, without the Principal's consent, any firm competing with the Principal.  
4. To systematically organize, at his own expense, the advertising of the equipment in such form and to such an extent that successful marketing of the  
equipment on the agreed territory should be ensured, using for this purpose the press, radio, cinema, catalogues and other means of advertising on the basis of printed material provided by the Principal; to return to the Principal, after the expiration of this Agreement, advertisement samples and materials, should these be in the possession of the Agent, or to deal with them according to the Principal's instructions.  
  
5. To provide consultation and technical service for and have supervision of proper exploitation of the equipment sold, organizing for this purpose, at his own expense, necessary work- shops and service stations.  
6. With the view of ensuring proper exploitation of the equipment to buy from the Principal the necessary quantity of spare parts, to keep warehouses and shops at his own expense, as well as to organize uninterrupted supplies of spare parts to purchasers of the equipment.  
  
7. In case the Principal participates in international fairs and exhibitions on the  
agreed territory, to render the Principal every assistance in the marketing of the equipment.  
8. To inform the Principal of governmental purchases announced on the agreed territory, to participate in them, and to advise the Principal of their results.  
Should need arise, the Principal, at the Agent's request and under a separate contract, purchasers in the installation of the equipment sold by the Agent and in its exploitation by means of deputing the Principal's specialists.

**VI**

The Principal has the right to cancel this Agreement before the expiration of the period of its duration without prejudice to his rights and without the Agent's right to claim any compensation, if:  
1. The Agent despite the Principal's notice, does not comply with an important condition of this Agreement, especially as to payment;  
2. On the expiration of \_\_\_\_ months from the day of signing this Agreement the value of the equipment sold by the Agent will be less than \_\_\_\_\_\_\_\_.  
3. The financial position of the Agent considerably deteriorates or procedure in bankruptcy is initiated.  
  
4. The Agent's acts contradict the Principal's interests on the agreed territory.

**VII**

The Principal and the Agent will take all measures to settle amicably any disputes which may arise from this Agreement or from contracts made thereunder.  
In case of the parties being unable to arrive at an amicable settlement, all disputes without application to legal courts are to be submitted for the settlement by \_\_\_\_\_\_.  
The Arbitration Award will be final and binding for both parties.

**VIII**

1. All negotiations and correspondence between the parties that have taken place prior to the signing of this Agreement shall be considered null and void as from the day of its signing.  
2. Any amendments and/or supplements to this Agreement shall be valid only if they are made in writing and signed by duly authorised representatives of both parties.

**IX**

This Agreement is operative as from the day of its signing by both parties and will be valid for \_\_\_\_\_\_\_\_.  
If, one month before the expiration of the above period of time, neither party notifies in writing of its desire to terminate this Agreement or to alter its terms and conditions, the Agreement is automatically extended for \_\_\_\_\_\_ months.  
Irrespective of the expiration of this Agreement or its cancellation the parties are to fulfil their obligations under made prior thereto.

**X**

Legal addresses of the parties:  
The Principal: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
The Agent: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
For and on behalf of  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
For and on behalf of  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_