



## SALES REPRESENTATION AGREEMENT

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\*\*\* SPECIMEN ONLY \*\*\*

THIS AGREEMENT made and entered into by and among

\_\_\_\_\_, a \_\_\_\_\_  
corporation d/b/a \_\_\_\_\_ with principal  
offices at \_\_\_\_\_ (herein referred  
to as "Principal") and \_\_\_\_\_, a  
\_\_\_\_\_  
corporation d/b/a \_\_\_\_\_  
with principal offices at \_\_\_\_\_

(herein referred to as "Representative").

### RECITALS

Principal is engaged in the marketing and distribution of various products and services described in Appendix B (herein referred to as "Products") and Representative has expertise in the promotion, marketing and sale (collectively, "Promotion" and grammatical variants thereof) of Products into channels of trade described in Appendix A (herein referred to as "Channels"). The parties wish to set forth herein the terms and conditions under which Principal will engage Representative to perform certain services in connection with the Promotion of the Products into Channels in the Territory specified herein. Accordingly, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties agree as follows:

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1. APPOINTMENT. Principal appoints Representative as its executive sales representative for the Territory described in Appendix A (herein referred to as "Territory") and Channels also described in Appendix A to solicit orders for those products and services listed in Appendix B (the Products). Representative shall only solicit orders within Territory, except as otherwise approved in writing by Principal. The Channels within the Territory will be covered exclusively by Representative unless specified otherwise in Exhibit A. There will be no house accounts in this territory except those specifically listed in Exhibit A, which may be amended from time to time only by written mutual consent of both parties. Principal reserves the right to determine each customer's trade classification (Channel) and to assign sales responsibility on the basis of billing address, shipping address, home office, type of business, etc. Representative accepts this appointment and agrees to promote the sales of the Products within the Territory, creating the largest volume of mutually profitable business for Principal and to promote the goodwill, name and interest of Principal and its products with Representative's customers.

2. COMPENSATION.

(a) Exclusive Territories. If territories are granted exclusively as specified in Exhibit A, Principal agrees to pay Representative, as compensation for its services, a commission of \_\_\_\_\_% on all goods shipped into the exclusive territory of Representative or services delivered to a business location within the exclusive territory of Representative, regardless if said orders for the goods are sent in directly by Representative or received by Principal via fax, telephone, US mail, E-mail or the Internet.

(b) Non-Exclusive Territories. If territories are granted non-exclusively as specified in Exhibit A, Principal agrees to pay Representative, as compensation for its services, a commission of \_\_\_\_\_% on all orders for goods and services sent in directly by Representative or received by Principal via fax, telephone, US mail, E-mail or the Internet.

(c) In addition, all orders written in Representative showrooms and at shows held within Representative territory (regardless of where account is shipped or billed), will be commissioned at the above rate. Conversely, all orders written in another Representative's showrooms and at shows held within that Representative's territory shall not be subject to commission. There will be no deductions from commissions due Representative except as agreed to and specified in writing. Commission checks together with accurate statements will be sent to Representative on or about the \_\_\_\_\_th of the month following the month of shipment or delivery. Principal shall provide the Representative with a monthly statement showing the computation of all commission payable for the preceding month which statement shall include a listing of each invoice with respect to which a commission was earned and a listing of deductions against

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commissions for unpaid past due invoices. Principal shall render all invoices in connection with orders received from Representative's territory direct to the customer, and full responsibility for all collections and bad debts rests with Principal. Principal agrees to send copies of all invoices of shipments in territory of Representative within \_\_\_\_\_ days after shipment or delivery. Principal shall have the right to deduct commissions paid, for any unpaid invoices when the account seeks protection under the Federal Bankruptcy laws, or because of slow payment are sent to a collection agency. Principal shall reimburse Representative the deducted commission in proportion to the amount collected on an invoice-by-invoice basis. The Principal will notify Representative prior to putting a customer on C.O.D. so that Representative may attempt to receive or secure payment; provided, that even when the Representative is so notified by the Principal, the ultimate responsibility for all collections shall remain with the Principal. The Representative will assist in collections, if possible, when requested by the Principal; provided, however, that such assistance shall be at no cost to the Representative.

There will be no deductions or charge backs from the Representative's commission with the exception of the commission on returned goods and bad debts as provided for above, unless mutually agreed to by both parties in writing.

Principal, by executing this Agreement, certifies that no part of the Representative's commission, brokerage, fees or any other compensation earned hereunder, will, in any manner whatsoever, be passed on nor granted directly or indirectly to any customer, buyer, agent, or representative, or intermediary acting for or in the behalf of, or subject to the control of any customer to which any of the products covered hereunder are sold.

**OPTIONAL RETAINER PROVISION:**

During the first \_\_\_\_ months of this Agreement, Principal agrees to pay Representative a retainer of \$\_\_\_\_\_ per month in recognition of the additional effort required to establish Principals Products within Representative's territory.

**OPTIONAL TRADE SHOWS PROVISION:**

Principal agrees to pay a mutually agreed upon amount for all temporary shows Representative participates in within its assigned territory and all expenses incurred by Representative to attend sales meetings requested by Principal.

If the commissions are not paid when due, the amount not paid will accrue interest at \_\_\_\_ % per annum from the date due until paid.

**3. ORDER SOLICITATION.** In soliciting orders for sales of the Products, Representative shall quote only the prices and terms specified in writing by Principal. All prices and terms of sale are to be established by Principal, which has the right to change them upon thirty (30) days written notice to Representative. Orders for Products solicited by

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Representative shall be promptly forwarded to Principal. Principal shall be and remain vendor of record with respect to all such orders. Principal agrees to refer all inquiries to Representative and to promptly furnish Representative with copies of all correspondence and documentation between Principal and customer. All orders are subject to acceptance or rejection by an authorized officer of Principal at its home office and to the approval of the Principal's credit department. Principal shall be responsible for all credit risks and collections. If Principal notifies customer of its acceptance or rejection of an order, a copy of any written notification shall be transmitted to the Representative. All accepted orders shall be considered to be a contract directly between customer and Principal. At least once every month, Principal shall supply Representative with copies of all orders received directly by the Principal, copies of all shipping notices, and copies of all correspondence and quotations made to the customers in the territory.

4. RELATIONSHIP OF PRINCIPAL AND REPRESENTATIVE. Nothing in this Agreement shall be construed to constitute Representative as the partner, joint venture, employee, or agent of the Principal nor shall either party have any authority to bind the other in any respect, it being intended that each shall remain an independent contractor responsible only for its own actions.

The Principal and Representative agree that during the term of this Agreement and any renewal thereof and for one year thereafter, neither will hire or engage or attempt to hire or engage an employee of the other or an independent representative under contract to the other without first obtaining prior written approval from the other. Both parties agree that the loss of such employee or independent representative would result in irreparable harm and grants to the other the right to seek damages and an injunction in a court of equity or other competent jurisdiction to enforce its rights hereunder.

#### 5. REPRESENTATIVE RESPONSIBILITIES.

(a) Representative shall maintain a sales office in the Territory. Representative headquarters shall have the capability to exchange information using electronic means (email and Internet). In addition, all individual sales agents must have daily access to the equipment required to send/receive email and read/print/download website information. Representative will diligently devote its time and efforts towards the selling of the Principal's products.

(b) Representative will conduct all of its business in its own name and in such manner as it may see fit. Representative will pay all expenses of its office and activities and will be responsible for the acts and expenses of its employees.

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(c) Representative shall not, without Principal's prior written approval, alter, enlarge, or limit orders, make representations or guarantees concerning Principal's products or accept the return of, or make any allowance for such products without prior approval.

(d) At the Principal's request, Representative shall furnish to Principal's Credit Department any information which it may have from time to time relative to the credit standing of any of its clients.

(e) Representative shall abide by Principal's policies and communicate same to Principal's customers.

(f) With Principal's prior written consent, the Representative may quote on or attempt to sell the Products in states or countries outside the Territory. Principal's consent shall be effective only on a case-by-case basis, and shall not be interpreted as extending the Representative's rights hereunder to such states or countries with respect to the Products or any products of Principal unless Appendix A is so amended.

(g) Whenever Representative, at Principal's request, takes possession of the Principal's products or samples for the purpose of delivering such products to customers or for any other purpose, the risk of loss or damage or destruction of such products shall be borne by Principal, and Principal shall indemnify and hold Representative harmless of any claims, debts, liabilities or causes of action resulting from any such loss, damage, or destruction. Principal hereby releases Representative from any and all liability or responsibility for any loss, injury or damage to the Principal's property in the custody of Representative or for any other casualty or accident for which Principal carries insurance. The waiver shall be effective as long as Principal is empowered to grant such waivers under standard insurance practices without the payment of additional premiums.

## 6. PRINCIPAL RESPONSIBILITIES.

(a) Principal shall be solely responsible for the design, development, supply, production, and performance of its Products and the protection of its trade names. Principal agrees to indemnify and hold Representative harmless against and to pay all losses, cost, damages, or expenses whatsoever which Representative may sustain or incur on account of infringement or alleged infringement of patents, trademarks or trade names resulting from the sale of the Principal's Products, or arising on account of warranty claims, product liability matters or any claimed defect or failure to perform of the Principal's products. Principal will name Representative as an additional insured on any applicable general liability policies, including products liability, auto liability, umbrella liability and errors and omissions.

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Representative will promptly deliver to Principal any notices or papers served upon it in any proceeding covered by this indemnity, and Principal will defend same at its expense. The indemnified party (the Representative) is allowed to obtain counsel at the indemnifying party's expense if the latter fails to do so in a timely manner.

(b) Principal will immediately notify the Representative of any customer complaint Principal receives, and advise Representative of the customer making such complaint, and the nature of the complaint to permit Representative to respond to said complaint.

(c) Principal shall furnish Representative, at no expense to Representative, current samples, catalogues, literature, and any other material necessary for the proper promotion and sale of its Products in the Territory. All samples shipped to sales associates that are deemed necessary by Principal will be at no charge. All personal rep samples shall be billed at a cost of wholesale less \_\_\_\_\_ percent (\_\_\_\_%) and Representative shall have \_\_\_\_\_ (\_\_\_\_) days from date of invoice to pay for invoiced samples. Any additional samples or sales materials provided to sales reps will be memo billed to them individually as independent contractors. Representative has no liability for such samples sent to sales reps. The freight charges on all samples sent to Representative or the sales associates of Representative shall be at the expense of Principal. Representative labels should not cover Principals name, address, or phone number on any catalogs, price lists, or other material provided by Principal. Any literature that is not used or samples or other equipment belonging to Principal shall be returned to the Principal at its request, and in any event upon termination of this Agreement, provided all commissions have been paid.

(d) If territories are granted exclusively as specified in Exhibit A, Principal shall promptly forward to the Representative all inquiries received from its Territory for the Products.

(e) Principal agrees to furnish to the Representative information concerning the availability of new products which may be marketable in the Territory of the Representative. It is the parties' intent for such new Products, that the Representative will have the right of first refusal, and if accepted will be included in this Agreement.

(f) Principal will supply a current account list, sorted by zip code, complete with address, phone number, contact and customer sales from the previous year. This list should indicate "key" accounts. The account list should be provided in Excel spreadsheet format if possible.

7. TERM AND TERMINATION. This Agreement is effective on \_\_\_\_\_, \_\_\_\_\_ and shall continue for a period of one (1) year. Thereafter, it shall automatically renew, for successive one year periods, unless either party notifies the other

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in writing of its intention not to renew at least 90 days before the end of the initial term of this Agreement or any renewal term.

At the termination of this Agreement, a final accounting shall be made between the parties. Principal shall maintain an accurate set of books and records regarding commissions due Representative following the termination of this Agreement. In the event of termination, Principal shall make its customer orders and shipping records available to the representative, or the representative's duly authorized agent, for inspection at the Principal's place of business. Upon termination, Representative is entitled to commissions on all orders solicited prior to the effective date of termination, regardless of when Principal accepts, invoices, or ships such orders. No termination or non-renewal shall be effective unless the terminating or non-renewing party is current in its financial obligations to the other. Representative agrees to return, within thirty (30) days of termination, any samples and catalogs that are the property of Principal at the Principal's request and expense. Anything in this Agreement notwithstanding, the Agreement may be terminated for the following reasons only:

(a) In the event that either party hereto shall commit an act of bankruptcy or file a voluntary petition for bankruptcy, or be declared bankrupt in an involuntary proceeding, or file for a plan under any Bankruptcy Act, or place its affairs in the hand of a receiver, or enter into a composition for the benefit of creditors, or perform any other act based upon or due to its inadequate credit position, then the other party to the Agreement may terminate this Agreement immediately by written notice of termination to the other party.

(b) Should either party be in material breach of its obligations and responsibilities under this Agreement, then the other party may terminate this Agreement by giving 60 days advance written notice of termination to the other party setting forth the material breach upon which the termination is based. However, after receiving such notice, the party receiving same shall have 30 days to cure the alleged breach. If such breach is cured, this Agreement shall continue in full force and effect.

(c) By mutual consent.

Recognizing the efforts of the Representative are cumulative and will accrue to the benefit of the Principal well after termination, should Principal terminate this Agreement, Principal agrees to pay Representative severance payments. Should Representative terminate this Agreement, no severance payments are due. Severance payments shall be paid monthly commencing with the 10th day of the month after the effective date of termination. Each payment shall be 1/12th of the total commissions payable to the representative in the 12 full calendar months preceding the effective date of such termination.

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Number of Consecutive Years as Representative	Number of Months Severance
More than 2 years/less than 4 years	1
More than 4 years/less than 6 years	2
More than 6 years/less than 8 years	3
More than 8 years/less than 10 years	4
More than 10 years/less than 12 years	5
More than 12 years/less than 14 years	6
More than 14 years/less than 16 years	7
More than 16 years/less than 18 years	8
More than 18 years/less than 20 years	9
More than 20 years/less than 22 years	10
More than 22 years/less than 24 years	11
More than 24 years	12

It is agreed that in the event the Principal improperly terminates this Agreement, Representative shall be entitled to the gross commissions that would otherwise likely have been earned (based on a good faith estimate by taking into account prior sales performance by Representative) through the remainder of the term of the Agreement that would otherwise apply had the Agreement not been improperly terminated, it being acknowledged and understood that Representative has made financial commitments to other representatives and affiliates, and has incurred other obligations, based on the agreed upon term of the Agreement.

8. ASSIGNMENT. This Agreement may be assigned at any time by Principal to any related division or a related or successor corporation. In the event of such assignment, the assignee division or company to which the Agreement is assigned shall automatically be substituted for the assignor company for all intentions and purposes and to the same extent as if the assignee were the division or company which had originally executed this Agreement. Representative shall not assign this Agreement without Principal's written consent, which will not be unreasonably withheld.

9. WAIVER. The waiver by either party of a default or breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent default or breach.

10. MODIFICATIONS. This Agreement may only be modified in writing, signed by the parties.

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11. PRONOUNS. For the purposes of the Agreement, the use of the pronouns "he," "him" and "his" are used only as a matter of convenience and are to be construed as being interchangeable with the pronouns "she," "her" and "hers."

12. FURTHER ACTIONS. Each party shall, without further consideration, execute and deliver such additional documents and instruments and perform all such other and further actions as may be necessary or reasonably requested in order to carry out the purposes and intents of this Agreement.

13. APPLICABLE LAW. This Agreement and any question concerning its validity, construction or performance shall be governed by the laws of the State of \_\_\_\_\_, and jurisdiction and venue shall for issues raised in the courts of \_\_\_\_\_ county, irrespective of the place of execution, or the order in which the signatures of the parties are affixed or the place or places of performance.

14. SEVERABILITY. The unenforceability (or the modification necessary to conform with such law and public policy) of any part of this Agreement shall not be deemed to render unenforceable any other part of this Agreement. If any part of this Agreement shall be adjudicated to be invalid or unenforceable in any action or proceeding in which Representative or Principal are parties, then such part shall be deemed deleted or amended, as the case may be, from the Agreement in order to render the remainder of this Agreement valid and enforceable. Any such deletion or amendment shall apply only where the court rendering the same has jurisdiction.

15. ENTIRE AGREEMENT. This Agreement contains the entire understanding and Agreement of the parties with respect to the subject matter hereof. There has been, is and will be, no representation, covenant, or undertaking other than those expressly set forth in this Agreement. Each party hereby acknowledges and represents that in executing and entering into this Agreement, no other party nor any agent, attorney or other representative of any party has made any promise, representation, warranty, covenant, warning or inducement whatsoever, express or implied, except as contained in this Agreement. Each party hereto acknowledges and represents that he has read and understands this Agreement, and each and every provision and term of this Agreement.

16. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same Agreement. This Agreement may be executed and delivered via electronic facsimile transmission with the same force and effect as if it were executed and delivered by the parties simultaneously in the presence of one another.

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17. PARAGRAPH HEADINGS. All headings set for in this Agreement are intended for convenience only and shall not control or affect the meaning, construction or effect of this Agreement or of any of the provisions thereof.

18. LITIGATION.

(a) The parties agree that any disputes or questions arising hereunder including the construction or application of this agreement shall be settled by arbitration in accordance with the rules of the American Arbitration Association then in force, and that the arbitration hearings shall be held in the city in which the principal office of the party requesting arbitration (with the American Arbitration Association) is located. If the parties cannot agree upon an arbitrator within ten (10) days after the demand by either of them, either or both parties may request the American Arbitration Association to name a panel of five (5) arbitrators. The Principal shall strike the names of two (2) on this list, the Representative shall then strike two (2) names, and the remaining name shall be the arbitrator. The decision of the arbitrator shall be final and binding upon the parties both as to law and to fact, and shall not be appealable to any court in any jurisdiction. The parties shall share the expenses of the arbitration equally, unless the arbitrator determines that the expenses shall be otherwise assessed. The laws of the state where the arbitration is held shall control as to all matters arising under this Agreement or relationship between the parties.

(b) The parties agree that neither party shall act to terminate or modify the nature of the parties' course of performance under this Agreement during the pendency of any litigation, it being the parties' intent to preserve the status quo so as to not jeopardize the rights of either party for the period from the commencement of litigation to the entry of the judgment.

19. ATTORNEY'S FEES. If suit or action is instituted in connection with any controversy arising out of this Agreement or an enforcement of any right hereunder, the prevailing party shall be entitled to recover, in addition to costs, such sums as the court may adjudge reasonable as attorney's fees, including fees on any appeal.

20. NOTICES. Any notice to be given or served upon any party to this Agreement must be in writing and shall be deemed to have been given (i) upon receipt in the event of personal service by actual delivery (including by telecopy or delivery service); (ii) upon posting if deposited in the United States mail with proper postage and dispatched by certified mail; or (iii) upon receipt if notice is given otherwise than by personal service or by certified mail. Notices may also be transmitted by facsimile or electronic mail, provided that proper arrangements are made in advance to facilitate such communications and provide for their security and verification. All notices shall be given to the parties at the addresses above.

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IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have executed this Agreement as of the date \_\_\_\_\_, \_\_\_\_\_ 20\_\_\_\_.

Principal: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Representative: \_\_\_\_\_  
*Specimen*  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTESTED: \_\_\_\_\_

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## EXHIBIT A

to

### SALES REPRESENTATION AGREEMENT

**TERRITORY:**

(List exact territory here.)

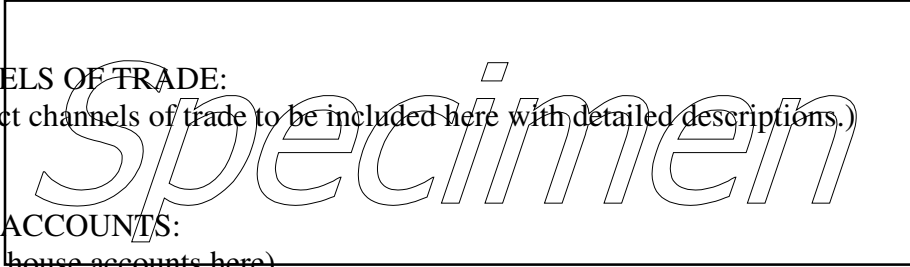
The Channels within the Territory \_\_\_ will / \_\_\_ will not be covered exclusively by Representative.

**CHANNELS OF TRADE:**

(List exact channels of trade to be included here with detailed descriptions.)

**HOUSE ACCOUNTS:**

(List any house accounts here)



## EXHIBIT B

to

### SALES REPRESENTATION AGREEMENT

**PRODUCTS:** All those products listed in the Principal's catalogue and pricelists, incorporated herein by reference. The items included may be increased or decreased at any time by Principal, in its sole discretion, upon prior written notice to Representative.

This Specimen Sales Representation Agreement is based upon the work of United Sales Association, 6740 East Hampden Avenue, Suite 306, Denver, CO 80224, [www.unitedsalesagents.org](http://www.unitedsalesagents.org). This Specimen Sales Representation Agreement Copyright 2004 RepHunter, Inc.