

# SOLE DISTRIBUTORSHIP AGREEMENT

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Between

(...A CO. LTD...) (...Country/State...)

(hereinafter referred to as "Seller")

and

(...B CO. LTD...) (...Country/State...)

(hereinafter referred to as "Distributor")

## W I T N E S S E T H :

Whereas Seller manufactures and markets certain Products as defined in Article 2 hereunder and whereas Seller desires to appoint Distributor solely in the Territory hereinafter described in order to reach a steadily growing market share for Products, and Distributor is willing to undertake distribution for the Products.

Now, therefore, Seller and Distributor agree as follows:

### ARTICLE 1 OBJECTIVE

Seller hereby appoints Distributor to the Sole Distributorship of Products as defined in Article 2, in the Territory as defined in Article 3, and Distributor accepts such appointment and agrees to respect the terms and conditions hereinafter set out.

During the term of this Agreement Seller agrees to supply Distributor with Products on a continuous basis. Distributor agrees to buy such Products from Seller and to use its best efforts to sell Products in the Territory as specified hereafter in Article 3.

### ARTICLE 2 PRODUCTS AND CONDITIONS

"Products" shall mean the Products listed in Schedule A under the Product names, model number and guarantee periods mentioned therein. The FOB (...Country...) prices shall mean the prices listed in Schedule B. The conditions of sale shall be those shown in Schedule C.

Schedules A, B and C attached hereto are an integral part of the Agreement.

Products transacted under this Agreement shall include instruments, devices, reagents, disposable products, accessories and parts made in (...Country/State...).

Seller shall be entitled at any time to add, replace or delete any item of Products listed in Schedule A, provided that it so advises Distributor at least (Number of ...) days in advance by registered mail specifying the effective date of the change made to Schedule A.

### **ARTICLE 3 TERRITORY**

Distributor shall be the only distributor in the following geographical area (hereinafter referred to as the "Territory"): (...Country...)

Seller agrees not to appoint any other Distributor in the Territory for distributing the Products covered by this agreement other than through Distributor, and shall refer to Distributor any inquiry received from a third party in the said Territory. Any inquiry coming to Distributor from outside the Territory shall be promptly referred to Seller.

### **ARTICLE 4 DURATION**

This agreement shall be effective from (...date...) and shall terminate on (...date...), subject to the provisions of Article 7 hereinafter.

The decision whether or not to renew this Agreement shall be determined through consultation between Seller and Distributor three months before the said termination date. If no decision to renew the agreement is reached, the agreement shall terminate and neither party shall be required to pay any compensation to the other party as a result of any losses suffered by such party due to such termination.

### **ARTICLE 5 DISTRIBUTOR'S OBLIGATIONS**

Distributor shall act as an independent contractor, purchasing Products from the Seller and reselling them in its own name and on its own behalf. Distributor shall devote its best efforts for the adequate promotion, exploitation and development of sales of Product within the Territory and shall maintain an organization sufficient therefore.

Distributor shall not act as agent for Seller under this Agreement, nor shall Distributor have any right or power hereunder to act for or to bind Seller in any respect or to pledge its credit.

This agreement shall not be deemed to create any employer / employee relationship between Seller and Distributor, nor any agency, franchise, joint venture or partnership relationship between parties.

Following the execution of this agreement, Distributor shall promptly open one retail store in the territory, at a location of its choosing, for the sale, lease, or renting of the products. Distributor shall open additional retail stores in the territory when and where, in its sole discretion (which shall be reasonably exercised), it becomes necessary or desirable to do so.

Distributor shall refrain from engaging, directly or indirectly, in the sale, lease, or renting of any items, components, or products which serve the same functions as the products, other than the products.

### **ARTICLE 6 SELLER'S OBLIGATIONS**