

EUROPEAN DISTRIBUTION AGREEMENT

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

[NAME OF MANUFACTURER]

a company incorporated under the laws of England,
having a registered office at _____ [give full address of registered office]
(the "Manufacturer")

- and -

[NAME OF DISTRIBUTOR]

a company incorporated under the laws of _____,
having a registered office at _____ [give full address of registered office]
(the "Distributor")

1. Recitals

WHEREAS, Distributor is currently established as a distributor of industrial goods and products for specific geographic areas within Europe, and

WHEREAS, Manufacturer wishes to extend the sales of certain of its products in Europe (as defined hereinbelow) and the parties have agreed to enter into this Agreement on the following terms and conditions.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

2. Definitions

In this Agreement the following words and phrases shall have the meanings set forth in this Article unless the context clearly requires otherwise.

- (a) "Agreement Year" shall mean the period of twelve (12) months from the date of this Agreement and each succeeding period of twelve (12) months (in the event that this Agreement is extended for subsequent periods).
- (b) "Control", in relation to a corporate body, shall mean the power of any person to secure by law or by corporate structure that the affairs of that corporate body are conducted in accordance with the wishes of that person.
- (c) "Customer" shall mean an end user customer of Distributor which places orders with Distributor for Products to be supplied by Manufacturer.
- (d) "Customer Sales Price" shall mean the sales price to a Customer as determined solely by Manufacturer.
- (e) "Manufacturer Group" shall mean Manufacturer and its subsidiaries, affiliates and any related company or company under the control of Manufacturer.
- (f) "Manufacturer Standard Terms and Conditions of Sale" shall mean the business conditions as set forth in Exhibit C (attached hereto and made an integral, binding part of this Agreement), as amended or replaced from time to time by Manufacturer.

- (g) "Net Sales Price" shall mean the invoiced price of the Products on a sale by Manufacturer to Distributor on an arm's length basis, less such of the following as are shown separately on the invoices:
- (i) sales, turnover or value added taxes;
 - (ii) packaging, transport, and insurance costs; and
 - (iii) credit on goods returned.
- (h) "Products" shall mean those products listed in Exhibit A (attached hereto and made an integral, binding part of this Agreement), as the same may be amended or replaced by agreement between the parties. Manufacturer shall have the right to delete Products from Exhibit A if Manufacturer ceases to manufacture such Products.
- (i) "Sole Right" shall mean a right enjoyed by a licensee in common with the grantor of that right and its successors and assigns.
- (j) "Territory" shall mean that geographic area set forth in Exhibit B (attached hereto and made an integral, binding part of this Agreement).

3. Distributor Appointment; Term of Agreement

Manufacturer hereby appoints Distributor as its exclusive distributor for the sale of Products in the Territory for an initial term of _____ years commencing on the date of execution of this Agreement, which term shall continue thereafter unless and until terminated by either party as hereinafter provided.

4. Termination

4.1 Either party may terminate this Agreement at any time by giving not less than _____ months' notice in writing to the other party.

4.2 Termination shall operate without prejudice to the rights and obligations of either party which have accrued hereunder prior to the date of termination.

4.3 During any period of notice of termination, Distributor shall be entitled to place orders for future delivery.

4.4 In addition to any conditions of termination set forth elsewhere in this Agreement, either party shall have the right to terminate this Agreement with immediate effect in the event of any of the following:

- (a) failure of either party to observe any of the terms hereof to a material and significant extent and to remedy the same (where it is capable of being remedied) within thirty (30) days of the date of the notice given by the aggrieved party to the party in default calling for remedy;
- (b) either party becoming insolvent, or entering into any agreement or arrangement (whether voluntary or involuntary, formal or informal) with its creditors;
- (c) either party having a receiver or manager appointed for the management of its assets or the disposition of its liability, or any part thereof;
- (d) an order being entered for the winding up or liquidation of either party (excepting the disposition of assets as part of a merger or consolidation);
- (e) Distributor being prevented for any reason from performing its duties hereunder for a continuous period of _____ months or for a total period of _____ months in any period of twelve (12) calendar months;
- (f) if Distributor is a corporate body, a change in the ownership of ten per cent (10%) or more of its share voting rights;

(g) if Distributor is a partnership, a change in the composition of that partnership.

The party not so affected may terminate this Agreement by notice in writing to operate on the date specified in the notice. In any of these cases the date specified may be a date earlier than the date of the notice so as to defeat any title which a trustee in bankruptcy or a receiver or liquidator or other such person might otherwise acquire to the rights conferred hereby.