

**FSMA SHORT FORM CONTRACT
BETWEEN AGENCY AND CLIENT**

THIS AGREEMENT is entered into this ____ day of _____, 20____, by and between _____ (“CLIENT”) and _____ (“AGENCY”), hereinafter referred to respectively as the “Party” and/or “Parties” hereto.

WHEREAS, CLIENT is the supplier, manufacturer or processor of certain products or merchandise (hereinafter “Products”) and desires to secure the services of AGENCY, and

WHEREAS, AGENCY maintains a local market expertise as a provider of sales and marketing services in the territory hereinafter described (the “Territory”) and desires to provide such services to CLIENT;

NOW THEREFORE, in consideration of the undertakings contained herein, the Parties hereto agree as follows:

1. Representation/Territory. CLIENT hereby appoints AGENCY as its sole and exclusive representative to provide sales and marketing services for the Products within the Territory and for the compensation as described in Attachment No. 1.

2. Service Policies. All sales negotiations and marketing services provided by AGENCY for the account of CLIENT shall be conducted in accordance with such prices, terms, and conditions as specified in CLIENT’s Policy Statement.

3. Compensation. CLIENT agrees to compensate AGENCY on all gross sales accepted by CLIENT in the Territory. Such Compensation shall be computed on the price of the Products sold after discounts and allowances are calculated. Compensation shall be made promptly by Client within thirty (30) days after the end of each month together with a commission reconciliation statement in electronic format of all AGENCY sales invoices for products shipped by CLIENT into AGENCY’s Territory for the prior month. A delinquency charge of 1.5 percent per month (but not in excess of the lawful maximum) may be added on any amount past due. Agency shall have the right to audit Client’s commission calculations for the prior 12 months under this Agreement, at Agency’s expense, upon reasonable notice to Client.

4. Sales and Promotional Policies. CLIENT agrees to keep AGENCY fully informed on all sales and promotional policies and programs affecting the products or merchandise in the territory. The cost of AGENCY’s attendance at CLIENT’s sales meetings shall be borne by CLIENT.

5. Purchase Order Reports & Negotiations. AGENCY agrees to promptly report to CLIENT all negotiations and purchase orders for acceptance by CLIENT. Approval of all sales orders and extension of Customer credit are at the sole discretion of CLIENT.

6. Collections & Deduction Responsibilities. AGENCY agrees to assist CLIENT in the research of all deductions and to communicate the need for prompt and full payment by Customers for all deliveries of Products sold. AGENCY is not responsible for the payments of any Customer, and CLIENT shall not deduct commissions of AGENCY for such nonpayment.

7. Shipments. AGENCY agrees to promptly notify CLIENT of required shipments to Customers. CLIENT agrees to promptly ship Products sold for all accepted orders.

8. Competitive Products. Both Parties agree not to declare another product represented by AGENCY as “competitive” and “in conflict” with their own as long as AGENCY satisfied the responsibilities and goals as contained therein.

9. Product Liability Indemnification. CLIENT agrees to defend, hold harmless, and indemnify AGENCY from any and all loss or damage, costs, and expenses, including legal fees, incurred by any claim or action made or filed against AGENCY, claiming loss or injury of any nature whatsoever, as a result of defect in any merchandise, purchase or use of any Product supplied, manufactured, or processed by CLIENT.

10. Agency. AGENCY shall act as an independent contractor or agent of CLIENT, and neither AGENCY nor its employees shall be considered employees of CLIENT, and neither Party shall in any event be held liable or accountable for any obligations incurred by either Party other than as specified herein, it being specifically understood that the respective businesses of each of the Parties shall be operated separate and apart from each other.

11. Confidentiality/Employees. AGENCY and CLIENT shall cause its officers, directors, employees, and agents to maintain as confidential any trade secrets, technology, processes or proprietary business information which may be disclosed or acquired by either Party in connection with this Agreement. During the term of this Agreement, each Party agrees not to employ individuals from the other's organization.

12. Term. This Agreement shall continue in full force and effect for a one-year period from the date this Agreement is entered into as listed in the first paragraph hereof. It will be automatically renewed for an additional one-year period unless the other Party notifies its intention not to renew ninety (90) days prior to the end of each term.

13. Termination. Either Party may terminate this Agreement for any reason by giving ninety (90) days' written notice of such intention to the other Party. In the event CLIENT terminates this Contract for reasons other than AGENCY's breach, CLIENT shall pay AGENCY severance compensation (based on the average monthly commissions for the previous 12 months) equal to one month's payment for each year of representation.

14. Arbitration. Any controversy or claim arising out of or relating to this Agreement shall be settled by arbitration in accordance with the rules of the American Arbitration Association held at a location close to an office of CLIENT's nearest an office of AGENCY. Judgment may be entered in any court having jurisdiction thereof.

15. Evaluation of Performance. The performance of each Party of the terms of the Agreement will be evaluated every twelve months or sooner as to assure all responsibilities and objectives are being upheld. Within ten (10) days of such evaluation, each Party should notify the other in writing of their concerns.

16. Applicable Law. The laws of the state of CLIENT's headquarters shall govern the application and interpretation of this Agreement.

17. Prior Agreements/Amendments. This Agreement cancels and supersedes any and all prior agreements, oral or written, made between the Parties hereto. It can only be modified by an agreement in writing signed by all applicable Parties.

18. Binding. This Agreement shall be binding on the Parties hereto and their successors and assigns.

CLIENT:

By: _____

(Title)

AGENCY:

By: _____

(Title)