

CONTRACT OF AGENCY

Today,, in the City of Sofia,

between

(1) "RILA STYLE" LTD. with business address registered
.....and represented by, hereafter
referred to as the PRINCIPAL, and

(2), with business address
..... registered and represented by ...
....., hereafter referred to as the AGENT,

Whereas I took into consideration that the PRINCIPAL is a trade entity producing garments with the trademark "BATTIBALENO" which it desires to offer for sale abroad and

that the AGENT is a trade entity that can act as an agent for the offering and selling of these garments on the territory of

this contract has been concluded for the following:

I. SUBJECT

1. The PRINCIPAL entrusts, and the AGENT agrees to represent and establish trade contacts for concluding contracts for the sale of garments with the trademark BATTIBALENO, consigned to him by the PRINCIPAL, for which the PRINCIPAL pays the AGENT a commission in the amount agreed upon.
2. This contract does not concede in any way any rights for the use of BATTIBALENO trademark, except as specified in this contract.

II. AGENT'S RIGHTS AND OBLIGATIONS

3. The AGENT submits regularly information about the structure and the needs of the market, searches out new clients and provides information about them.
4. The AGENT acts as an intermediary for the conclusion of trade agreements between the PRINCIPAL and the clients and for the fulfillment of the contracts concluded.
5. The AGENT has the right to obtain from the PRINCIPAL information and instructions with regards to the establishment of contacts with the clients and the preparation for the conclusion of contracts.
6. The AGENT shall execute this contract in good faith and in accordance with the PRINCIPAL's interests and instructions.

7. The AGENT carries out his obligations under this contract in accordance with the advertising, pricing and business policy specified by the PRICIPAL.
8. The AGENT is obliged to report periodically - every month as well as at the PRINCIPAL's request, the work performed and the prospective contracts that are to be concluded.
9. The AGENT monitors and gathers information about the changes in the clothing market trends on the territory of his trade agency, giving suggestions and recommendations for changing the politics and taking measures corresponding to these trends.
10. The AGENT shall not be entitled to settle prices or discounts on his own during periods of discounts or sales promotions, but can give recommendations as to the pricing policy.
11. The AGENT is entitled to receive the agreed upon remuneration in accordance with the provisions of this contract.
12. The AGENT maintains a showroom with an area of no less than 30 square meters and own personnel in order to fulfill the purpose of this contract.

III. PRINCIPAL'S RIGHTS AND OBLIGATIONS

13. The PRINCIPAL is entitled to receive monthly reports and information, as well as to require additional reports concerning the actions, which the AGENT undertakes.
14. The PRINCIPAL provides the AGENT with all necessary information, catalogues, promotional materials and sample from his collection in order to support the work of the AGENT.
15. The PRINCIPAL has the right to reject the conclusion of a contract with a client, provided by the AGENT, when the conditions of such a contract contradict the interests and the politics of the PRINCIPAL. In such a case the AGENT is not entitled to a commission.
16. The PRINCIPAL gives mandatory instructions to the AGENT concerning the conditions for concluding deals, their specific terms and the significant conditions as well as any changes that have occurred in the promotional and pricing policy.
17. The PRINCIPAL is obliged to pay to the AGENT the remuneration agreed upon under the terms of this contract.

IV. SAMPLE COLLECTION

18. Upon concluding this contract, the PRINCIPAL sends to the AGENT a sample collection, which remains property of the PRICIPAL and which the AGENT exhibits in his showroom and shows to prospective clients.
19. The costs for transporting the sample collection are to be borne by the PRICIPAL.

20. The AGENT insures the sample collection against all risks at his own cost and at its actual value for the period of its stay in his showroom.
21. The full or partial destruction of the sample collection, for which no damages have been recognized by the insurer, is a cost to be borne by the AGENT.
22. The AGENT returns the sample collection to the PRICIPAL in case of (1) a premature termination of the contract, (2) at the receipt of a new collection, or (3) at the request of the PRINCIPAL within a time designated by the PRICIPAL, at the AGENT's expense.
23. The PRICIPAL can instruct the AGENT to sell the sample collection at prices, which are set by the PRICIPAL, with a written confirmation, and the sale is reported within a time period set by the PRICIPAL.

V. AGENT'S COMMISSION

24. On all sales realized with the AGENT's cooperation which have resulted in a delivery and timely payment, the AGENT shall receive a commission in the amount of% / percent/ of the net value of all deals and/ or sales of garments realized.
25. The commission is paid upon the submission of an activity report and the receipt from payments from the client, against an invoice from the AGENT.
26. In case the client does not pay the whole sum he owes, the AGENT's commission will be determined based on the amount of the sum received.
27. The AGENT is not entitled to a commission for sales, concluded in shops rented or used under other contracts, for which the AGENT has not provided any contribution.

VI. GEOGRAPHIC SCOPE

28. The AGENT carries out works, subject of this contract only on the territory of
....., and by exception and with an additional agreement can carry out activities on a territory, agreed upon by both parties.

VII. CONFIDENTIALITY

29. Any party to this contract is obliged to keep confidential all information concerning this contract and its execution, except with the explicit written consent by the other party or by the force of mandatory law.

VIII. EXPIRY AND CANCELLATION

30. This contract enters into force from the date of its signing and is valid for one year.
31. The contract can be terminated before its term of expiry:
 - 1/. By a mutual consent of both parties, expressed in a written form
 - 2/. Unilaterally by either party with a one-month written notice
 - 3/. At the occurrence of any of the following conditions, but not limited to them: liquidation, bankruptcy, sale of the trade entity by either party of this contract.
 - 4/. When any significant clause is broken, including the provision for competitive activity and the provision for confidentiality
32. At the termination of the contract, irrespective of the grounds for that, the parties shall arrange their financial obligations within one month from the date of termination.
33. The AGENT is obliged to return all promotional and other materials, sample collection, all trade documentation within a 14-day period from the termination of this contract, and in case this term is not met, the cost of the promotional materials and sample collection will be deducted from the remuneration owed to him.
34. The AGENT has no right to exercise any right to retain, nor deduct any amounts from the promotional and other materials given to him or from the value of the sample collection.

IX. CORRESPONDENCE

35. Both parties exchange their trade correspondence, all announcements, invitations and other messages at the addresses specified in this contract by post, email or fax.
36. In case the correspondence address of either party is changed, the respective party is obliged to inform the other party within a 3-day period, otherwise all letters, messages, invitations and the like will be considered duly sent to the old address.

X. APPLICABLE LAW AND ARBITRATION

37. This contract is governed by the provisions of the Bulgarian Law.
38. All issues and relations which are not provided for by this contract shall be resolved by the regulations of the Bulgarian civil and commercial law.

39. For any inconsistency between Bulgarian and English text, the Bulgarian text will be given a priority.
40. All disputes arising between the parties or related to this contract, including disputes concerning its interpretation, invalidity, execution and termination, as well as the disputes for lacks in this contract as well as its adjustment to newly arisen circumstances shall be resolved by the Arbitration Court of the Bulgarian Chamber of Commerce and Industry in accordance with its Rules for cases based on arbitration agreements.

XI. PROHIBITION OF TRANSFER OF CONTRACT RIGHTS

41. The parties have no right to transfer the rights evolving from this contract in behalf of third parties or to assign to another the complete or partial execution of this contract.
42. Each party must notify the other in case its business has been transformed in view of granting approval for the continuation of the contract's validity or taking measures towards its termination.

This contract has been executed in 5 pages, in Bulgarian and English language and has been signed in four identical copies – each party receiving two copies – in Bulgarian and English.

PRINCIPAL:

AGENT: