

THIS MEMORANDUM OF UNDERSTANDING
a proposed sales agency agreement

the HEADS OF TERMS ("HOT") for
dated the day of

BY:

(1) <<Name of Principal>> [a
Registration Number>> w
("Principal")

England under number <<Company
at] OR [of] <<insert Address>>

and

(2) <<Name of Agent>> [a co
Registration Number>> w
("the Agent")

England under number <<Company
at] OR [of] <<insert Address>>

1. Definitions

In this HOT, the following e

following meanings:

**"Sales Agency
Agreement"**

nt described in Clause 3 and
of this HOT;

"Detailed Terms"

y detailed terms, conditions, and
set out in the Sales Agency
the definitive version of the
and when they are agreed and set
y Agreement;

"Commercial Terms"

or the Sales Agency Agreement
sub-Clause 4 of this HOT being
Parties hereby agree in principle.
n of those terms, if and when
ed amongst the Detailed Terms in
reement; and

"Party"

rties to this HOT;

2. Purpose and Status of th

2.1 Except for Clauses
HOT is not intended

egally binding on the Parties), this
gally binding on the Parties;

2.2 The Parties have d
but they have not
Commercial Terms
agree all of the othe

the Commercial Terms in principle,
ed the definitive version of the
ully discuss, negotiate, draft, and

2.3 The Parties intend
negotiate, draft, and
Sales Agency Agree
Clause 5 of this HO
existence will there
agency arrangement
contract; and

this HOT, they will fully discuss,
d Terms, and will sign a full written
Detailed Terms, and that, save for
les Agency Agreement comes into
ween them relating to any sales
is legally binding on them as a

2.4 The Parties agree a oral or written state warranty, promise, the date of this HO agency arrangement term of the Sales A

agreed in Clause 6 of this HOT, no (negligent or otherwise), and no ment (whether before, on, or after t in relation to the proposed sales agreed and included as an express

3. Sales Agency Agreement

The Sales Agency Agree between the Parties wher Principal on the Detailed T and the only terms, cond matters governing, forming the Parties.

n signed sales agency agreement t the Agent as a sales agent of Agency Agreement will contain all of ments, understandings and other es agency arrangements between

4. Commercial Terms

The following Commercial them will form part of the D

inciple, and the definitive version of es Agency Agreement:

4.1 The appointment c commence on <<ins

e Sales Agency Agreement will

4.2 The period of the ap that date and will o subject to any earlie

es Agency Agreement will be from id of time in months or years>> y the Sales Agency Agreement;

4.3 The goods to be s Schedule to this HC

ere>> OR <<are described in the

4.4 The territory to b <<describe/define h

les Agency agreement will be

4.5 [The Territory will b accept orders for th agent(s) or distribut

so that Principal may not solicit or y [and may not appoint any other

OR

[The Territory will n

ent;]

[and Principal may orders are unsolic agent(s) [or distrib Territory. If Principa the Agent;]

ods in the Territory] [but only if the pal may [not] appoint any other cept orders for the goods in the l [not] be liable to pay commission

OR

[but Principal may r orders are unsolic be liable to pay com

goods in the Territory] [unless the pal accepts any order, it will [not]

4.6 [The Agent may s Territory;]

s for the goods anywhere in the

OR

S

[The Agent may not promote the sale of the goods in any part[s] of the Territory >>];

ers for the goods in the following parts of the Territory>>];

- 4.7 [The Agent may <<describe here where the goods may be sold anywhere outside the Territory>>];

promote the sale of the goods by <<describe here where the goods may be sold anywhere outside the Territory>>];

OR

[The Agent may not promote the sale of the goods anywhere outside the Territory];

otherwise promote the sale of the goods anywhere outside the Territory];

- 4.8 [The Agent may not accept enquiries/orders from outside the Territory];

enquiries/orders from outside the Territory];

OR

[The Agent may not accept enquiries/orders from outside the Territory but must accept any such enquiries/orders as the Agent receives;]

enquiries/orders from outside the Territory but must accept any such enquiries/orders as the Agent receives;]

- 4.9 [The Agent must refer all enquiries/orders to Principal;]

all enquiries/orders to Principal;]

OR

[The Agent [will] may accept orders for the goods [only with the Principal's consent] <<describe the basis on which the Agent may accept orders on behalf of and in the name of the Principal on the conditions of sale and on the standard terms and conditions [at all] OR the pre-agreed limitations];

orders for the goods [only with the Principal's consent] <<describe the basis on which the Agent may accept orders on behalf of and in the name of the Principal on the conditions of sale and on the standard terms and conditions [at all] OR the pre-agreed limitations];

- 4.10 Principal may [not] alter the product range during the term of the Sales Agency Agreement <<describe here the basis on which the Principal may alter the product range>>. Principal must give a [minimum] notice period >>];

Principal may [not] alter the product range during the term of the Sales Agency Agreement <<describe here the basis on which the Principal may alter the product range>>. Principal must give a [minimum] notice period >>];

- 4.11 Principal may [not] alter the product range during the term of the Sales Agency Agreement <<describe here the basis on which the Principal may alter the product range>>. Principal must give a [minimum] notice period >>];

Principal may [not] alter the product range during the term of the Sales Agency Agreement <<describe here the basis on which the Principal may alter the product range>>. Principal must give a [minimum] notice period >>];

- 4.12 The Agent's function is to do and its scope is <<describe here what Agent is to do and its scope>>];

The Agent's function is to do and its scope is <<describe here what Agent is to do and its scope>>];

- 4.13 [The Agent must not act as a distributor] in the Territory [or in any part of the Territory] <<add any other territory in which the Agent may act as a distributor for Principal>>];

[The Agent must not act as a distributor] in the Territory [or in any part of the Territory] <<add any other territory in which the Agent may act as a distributor for Principal>>];

OR

[The Agent may act as a distributor] in the Territory [or in any part of the Territory] <<add any other territory in which the Agent may act as a distributor for Principal>>];

[The Agent may act as a distributor] in the Territory [or in any part of the Territory] <<add any other territory in which the Agent may act as a distributor for Principal>>];

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[[provided that the Agent must not do with any goods to be sold for Principal, and] the Agent must [also] not <<add any other conditions>>];]

following conditions/limitations: [the goods which would be in competition with the goods sold for Principal, and] the Agent must [also] not <<add any other conditions>>];]

4.14 [[Principal] [and [the Agent] [must] promote the sale of the goods in the Territory [It/They] must do so, state any requirement to spend over any period in doing so, and what portion of the total sales of the goods in the Territory must be used for the purpose of promoting the sale of the goods in the Territory];]

[separately] promote the sale of the goods in the Territory, assisting the Agent to achieve sales. [It/they] must do so, state any requirement to spend over any period in doing so, and what portion of the total sales of the goods in the Territory must be used for the purpose of promoting the sale of the goods in the Territory];]

OR

[Principal] [and] [the Agent] [must] promote the sale of the goods in the Territory [It/They] must do so, state any requirement to spend over any period in doing so, and what portion of the total sales of the goods in the Territory must be used for the purpose of promoting the sale of the goods in the Territory];]

[in the manner [it decides] [they decide] the goods in the Territory, but [it] [they] will be not required to do so;]

4.15 [All advertising or promotion by the Agent with the Principal's prior consent and at the discretion of the Principal];]

[All advertising or promotion by the Agent may only be used with the Principal's prior consent and at the discretion of the Principal may refuse in its reasonable discretion];]

OR

[No advertising or promotion by the Agent with the Principal's prior consent and at the discretion of the Principal];]

[No advertising or promotion by the Agent requires the Principal's prior consent and meets the following conditions:];]

4.16 [Agent's [advertising or promotion] [by Agent solely][by the Agent in the proportion of <<describe the conditions>> over each period of <<time period>>];]

[All costs and expenses are to be covered by the Agent solely by Principal and partly by the Agent in the proportion of <<describe the conditions>> [up to the following maximum <<time period/year>>];]

[Principal's [advertising or promotion] [covered [by Agent solely][by the Agent in the proportion of <<describe the conditions>> maximum over each period of <<time period>>];]

[All costs and expenses are to be covered by the Agent [partly by Principal and partly by the Agent in the proportion of <<describe the conditions>>] [up to the following maximum <<time period/year>>];]

4.17 [Principal is not required to provide the Agent with <<describe the conditions>>];]

[Principal is not required to provide the Agent with];]

OR

[Principal will provide the Agent with <<describe how it must do so>>];]

[Principal will provide the Agent with as follows: <<describe how it must do so>>];]

4.18 Principal is [not] required to provide the Agent with <<describe how it must do so>>];]

[Principal is [not] required to provide the Agent with <<describe how it must do so>>];]

4.19 The Agent is not permitted to do <<describe how it may do so>>];]

[The Agent is not permitted to do <<describe how it may do so>>];]

4.20 [The Agent may not do <<describe how it may do so>>];]

[The Agent may not do <<describe how it may do so>>];]

OR

[The Agent may do <<describe how it may do so>>];]

[The Agent may do <<describe how it may do so>>];]

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- 4.32 On termination of the Sales Agency Agreement, the Agent shall remain liable for the obligations under the Sales Agency Agreement for a period of <<state length>> after the end of the Sales Agency Agreement;
- 4.32.1 [The confidential information shall remain the property of the Principal [in the Territory] for a period of <<state length>> after the end of the Sales Agency Agreement;]
- 4.32.2 [The Agent shall not be permitted to solicit or entice customers to the Principal;]
- 4.32.3 [The Agent shall not be permitted to sell goods to the Principal] **OR** [The Agent may continue to sell goods to the Principal until it has had an opportunity to conclude an agreement with the Principal, and then must return any remaining goods to the Principal;]
- 4.32.4 [Outstanding commissions shall be payable to Agent [as per the commercial terms/basis of the Sales Agency Agreement] **OR** [<<describe the basis of calculation of the commissions>>];]
- 4.32.5 [Where term of the Sales Agency Agreement is not in default, Agent will indemnify for loss of the agency] **OR** [Where term of the Sales Agency Agreement is provided that Agent is not in default, Agent will indemnify for loss of the agency on the basis of calculation of the compensation];]
- 4.32.6 [Where term of the Sales Agency Agreement is not in default, Agent will indemnify for loss of the agency on the basis of calculation of the compensation];]

- 4.33 The Sales Agency Agreement shall be assignable by the Principal [only with the prior consent of the Agent] or consent of the Principal]. [Prior notice of intention to assign the Sales Agency Agreement must be given by the Party proposing to assign the Sales Agency Agreement];]

5. Ongoing Discussion and Negotiations

- 5.1 The Parties will not be bound by any discussions or negotiations to continue or complete their discussions or negotiations to produce, or sign any Sales Agency Agreement;
- 5.2 Nevertheless, but without prejudice to the Parties' intention to do so, the Parties intend in good faith to conduct discussions or negotiations to produce a Sales Agency Agreement as soon as reasonably practicable;
- 5.3 Either Party may, but without prejudice to the other, at any time and for any reason, and without liability to the other, terminate their discussions or negotiations to produce a sales agency agreement between them, and, except for the purpose of the Sales Agency Agreement, shall thereupon cease; and
- 5.4 If a Sales Agency Agreement is entered into, it will supersede and replace this Memorandum of Understanding, subject to Clause 5.3.

6. Confidentiality and Data Protection

- 6.1 Each Party ("the disclosing Party") shall not disclose to the Other Party that in consideration of the disclosure of confidential information to the First Party any confidential information concerning the business, affairs, customers, clients, or other Party which is or might be

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relevant to a sales
Information”), the
Information for an
negotiation of a sale
of it in a Sales Agen

between the Parties (“Confidential
use or disclose that Confidential
the evaluation, discussion or
with the Other Party or the recording

6.2 Neither Party is leg
any Confidential In
and negotiations re
anticipate that they
each other;

make available to the Other Party
connection with their discussions
es Agency Agreement, the Parties
available Confidential Information to

6.3 Neither Party shall
for any inaccuracie
supplies or makes a

ve any liability to the Other Party
any Confidential Information that it
ty;

6.4 If at any time either
Information provide
Party shall do so pr
the same; and

er Party to return any Confidential
it to the Other Party, the Other
destroy any copies it has made of

6.5 Each Party acknow
inadequate remedy
specific performanc
defaulting Party in t
6 without prejudice
in relation to such th

at damages alone would be an
Clause 6, and that an injunction,
ef, should be awarded against the
r actual breach by it of this Clause
medies that either Party may have
ch.

6.6 In this Clause 6

6.6.1 “Data Protec
longer direc
implementin
amended fr
legislation w

1) unless and until GDPR is no
UK, GDPR and any national
and secondary legislation (as
e UK and subsequently 2) any

6.6.2 “GDPR” me
Regulation; c

16/679 General Data Protection

6.6.3 “personal da
Legislation.

as defined in the Data Protection

6.7 If in connection with
otherwise processe
other Party (“Other

y (“First Party”) collects, holds or
hen First Party undertakes to the

6.7.1 for the purp
agreement o
Agreement;

cussion, negotiation, drafting, and
nd entering into the Sales Agency

6.7.2 in accordan
the rights un
the rights un

f Data Protection Legislation and
Legislation of the Other Party and
Legislation of any third party;

6.7.3 in accordan
Party’s Priv
available on
before the d

s Privacy Notice. A copy of each
in the Schedule to this HOT][is
provided to the Other Party on or

6.8 Any personal data
connection with this
a Data Sharing Agr

rst Party with the Other Party in
ly in accordance with the terms of
ne Parties before any such sharing

occurs.

7. Law and Jurisdiction

- 7.1 This HOT, and the negotiations between the Parties in connection with a Sales Agency Agreement, and all disputes or claims arising out of this HOT or the proposed or actual Sales Agency Agreement, shall be governed by, and construed in accordance with, the laws of England and Wales.
- 7.2 [Subject to Clause 7.3, any dispute, controversy, proceedings or claim between the Parties relating to this HOT or the proposed or actual Sales Agency Agreement is to be dealt with by means of arbitration] [and/or] [arbitration] as follows: <<set out details of alternative dispute resolution and/or arbitration]
- 7.3 [Any dispute, controversy, proceedings or claim between the Parties relating to this HOT or the proposed or actual Sales Agency Agreement is to be dealt with by means of arbitration] [and/or] [arbitration] as follows: <<set out details of alternative dispute resolution and/or arbitration]

S

Attach a copy of each Part referenced in Clause 6.7.3

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EITHER

[SIGNED on the above date for and on behalf of <<Name of Principal>>]:

By <<Name and Title of person signing>>

Authorised Signature

OR

[SIGNED on the above date by <<Name of Principal>>]:

Signature

M

AND

EITHER

[SIGNED on the above date for and on behalf of <<Name of Agent>>]:

By <<Name and Title of person signing>>

Authorised Signature

OR

[SIGNED on the above date by <<Name of Agent>>]:

Signature

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