

## Sample Agency Contract

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**Warning:** This is a sample contract only. It should be nothing more than a guideline or model to assist you in drawing up your own contract, which will be different from the sample or mode contract which follow, to accommodate your individual needs and the individual circumstances of your relationship with the company you are serving. Please read the entire contract with care. Add sections or clauses you feel are necessary to cover particular situations that confront you. If is impossible for any model to be drawn so as to apply to all situations. What follows must be used with care, discretion and thought. Consult you lawyer before entering into any contract.

Agreement made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
Between  
XYZ Manufacturing Company Limited  
(hereinafter called the 'Company')

(Note: If the Company is unincorporated, the names of the proprietors should be set out as parties to the agreement and the proprietors should sign it.)

-and-

John Doe, of the city \_\_\_\_\_, in  
The \_\_\_\_\_ of \_\_\_\_\_  
(hereinafter called the 'Agent')

1. The Company hereby appoints as its exclusive and sole agent for the sale of **(PRODUCT)** in the territory and upon such terms and conditions as set out herein.
2. The territory assigned to the Agent by the Company shall consist of **(DESCRIBE THE TERRITORY HERE)**.
3. This agreement shall commence on the date hereof and shall expire ( ) year(s) thereafter, and shall be automatically renewed for successive terms of ( ) year(s) unless either party gives notice to the other party ( ) month(s) prior to the expiration of the original term or any renewal term that they do not intend to renew.

4. The parties hereby agree that the Agent will devote his/her time exclusively to the sale and promotion of the products of the Company and will not engage in any other line or product for any other company.

-OR-

The parties hereby agree that the Agent may sell or promote other lines or products during the life of this agreement, provided that the sale of such lines or products does not involve competition or conflict with the sales of the product(s) described in paragraph 1 herein.

-OR-

The parties hereby agree that the Agent may sell or promote other lines or products during the life of this agreement subject to prior approval by the Company.

5. The Agent shall be responsible for the expenses incurred by Him/her in the performance of the obligations incurred pursuant to this agreement.

-OR-

The Agent shall be reimbursed for reasonable expenses incurred in the performance of obligations incurred pursuant to this agreement, provided that such reimbursement shall be on a monthly basis upon receipt of an expense statement, properly documented.

6. The Company agrees to pay the Agent commission on sales made, shipped, or distributed to the territory described in paragraph 2 herein, whether or not such sales were obtained by the Agent personally according to the following schedule: **(HEREIN SET OUT COMMISSION RATE).**
7. Commissions shall be due and payable to the Agent on the 15<sup>th</sup> day of the month following the month in which the goods were shipped.
8. The parties agree that the responsibility for the investigations into and approval of the creditworthiness of customers shall be the responsibility of the Company, and further agree that the Agent's commission on unpaid accounts.

-OR-

The parties agree that the Agent shall exercise his/her best effort in assisting the collection of overdue account of customers. It is further agreed that the Agent's commission account shall be debited with the amounts representing commission on unpaid accounts ultimately collected in whole or in part, the Agent's commission shall be credited accordingly.

9, This agreement may be terminated by the Agent upon the Agent providing notice in writing to the Company of the termination, such termination to be effective ( ) month(s) from the receipt by the Company of such notice.

10. This agreement may be terminated by the Company upon the Company providing notice in writing to the Agent, such termination to be effective in accordance with the following schedule:

Duration of Agency Relationship	Period of Notice
1 – 5 years	3 months
5 –10 years	6 months
More than 10 years	9 months

11. This agreement may be terminated by the Company without notice provided that the Company pays the agent damages in lieu of notice, such damages to be calculated as follows:

Duration of the Relationship	Damages
1-5 years	Average monthly commission in previous year X 3
5 –10 years	Average monthly commission in previous year X 6
More than 10 years	Average monthly commission in previous year X 9

12. The Company agrees to provide the Agent with the monthly commission statements showing commissions owing, credits and debits to the commission account, sales made in the Agent’s territory and copies of the invoices on all shipments made within the territory. The company further agrees to provide the Agent with reasonable access to its books and records to permit the Agent to verify the commission statement.

13. Variations to the paragraphs 2 and 6 herein may be made on the mutual consent of both parties. In the event the Company unilaterally varies the terms of paragraphs 2 and/or 6, the Agent may, within 60 days of receipt of notice of the variations, elect to consider this agreement at an end, and in that event the provisions of paragraph 11 shall apply and the Agent shall be entitled to appropriate damages.

14. Samples in the possession of the Agent shall remain the property of the Company, and no responsibility or liability shall attach to the Agent for loss of or damages to such samples, however caused.

15. The failure of either party to strictly enforce any particular term of this agreement shall not constitute waiver or estoppel.

16. This agreement shall be binding upon and ensure to the benefit of, the parties hereto, their heirs and assigns.
17. The parties hereto agree that this agreement shall be governed by the laws of the Province of (\_\_\_\_\_).
18. The parties have requested and agreed that this agreement and any ancillary documents relating hereto shall be drawn up in the English language only.

Signed and Sealed the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Witness for the XYZ Company Ltd Corporate Seal

\_\_\_\_\_  
Witness John Doe, Agent Seal