

-
- method of calculating commission and terms of payment;
 - promotional charges (should indicate clearly how the promotional costs will be borne by each party);
 - period reports (should cover the agent/distributor's responsibility for filing regular sales and activity reports and the exporter's responsibility for apprising the representative of changes and developments within the company or to the product line);
 - general conditions — that the agent shall not commence legal proceedings in the name of the exporter without his/her authorization and that the representative shall not divulge confidential information pertaining to the exporter's business;
 - duration (including timeframe covered by the contract, terms of renewal and of termination prior to expiry date);
 - conditions for early termination by either party and length of any notice periods;
 - termination indemnity;
 - return of documents and samples by agent/distributor;
 - breach of agreement — if one party is found guilty of not carrying out certain terms of the contract, the other party has the right to serve notice of termination;
 - law governing the agreement and dispute resolution (should include the applicable law governing the contract and the method of settling any dispute); and
 - assignment — the benefits and obligations of the agreement may not be assigned without the consent of both parties.

Two excellent publications on agency agreements are: *Commercial Agency: Guide for the Drawing Up of Contracts*, available from Chambers of Commerce (see Appendix A) and C.M. Schmitthoff, *Agency Agreements in the Export Trade* (with specimen agreements), 9th ed., 1990, available from The Carswell Company (see Appendix A). There is a charge for both these publications.