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| **Document name:** | Agency Agreement |
| **Document Summary:** | Agency Agreement pursuant to which the agent supports the promotion and sale of the principal’s products. |
| **PLEASE READ:**    *This precedent has been prepared by Al Tamimi & Company without reference to any particular matter, transaction or set of facts.  Substantive changes to this precedent may be required to adapt it to the requirements of a specific client or matter.  As of the date of publication, this template has been drafted pursuant to all applicable legislation and statutes. Laws and/or procedures may have changed since this precedent was published.*      ***NOTE: THIS IS A BASIC SAMPLE ONLY AND SPECIFIC ADVICE SHOULD BE SOUGHT FROM COUNSEL DULY LICENSED TO OPINE ON THE LAWS OF THE UNITED ARAB EMITRATES PRIOR TO A PARTY ENTERING INTO SUCH AN AGREEMENT.*** | |
| **Notes:**   1. The territory under this draft is the UAE, only. 2. The draft contemplates the governing law to be UAE law. 3. The agent may not enter into contracts on behalf of the principal and simply refers leads to the principal in exchange for a commission. | |

**AGENCY AGREEMENT**

**This Agency Agreement** is made on this [insert date]:

##### Between:

1. \_\_\_\_\_, (hereinafter referred to as “**the Agent**”), a \_\_\_\_\_ company with tax no. \_\_\_\_\_ and registered office in \_\_\_\_\_ duly represented herein by \_\_\_\_\_; and
2. \_\_\_\_\_, (hereinafter referred to as “**the Principal**”), a \_\_\_\_\_ company with tax no. \_\_\_\_\_ and registered office in \_\_\_\_\_ duly represented herein by \_\_\_\_\_

(the Agent and the Principal are hereinafter collectively referred to as the “**Parties**” and individually as a “**Party**”)

**WHEREAS:**

1. The Principal is involved in the manufacturing and supply of [insert description of the Principal’s products] (hereinafter referred to as “**the Products**”);
2. The Agent has expertise regarding the marketing and sale of products similar to the Products in \_\_\_\_\_ (hereinafter referred to as “**the Territory**”).
3. The Principal wishes, through an agency, to obtain adequate marketing and promotion of the Products. The Agent is willing to provide the services required in this respect.

**NOW THEREFORE**, in consideration of the premises and mutual covenants herein contained, the Parties hereby mutually agree as follows:

1. **OBJECT OF THE AGREEMENT**

The Principal hereby appoints the Agent for the term of this Agreement and subject to the terms and conditions hereof as its [non-]exclusive agent in respect of the marketing and sale of the Products in the Territory and the Agent accepts such appointment.

1. **THE AGENT’S RIGHTS AND OBLIGATIONS**
   1. The Agent agrees to use its best efforts to solicit customers and promote the sale of the Products in the Territory. The Agent shall safeguard the Principal’s interests with the due diligence of a responsible businessman.
   2. The Agent shall:
   3. have the right and the obligation to present himself as the Principal’s Agent;
   4. have no authority to enter into contracts on behalf or in the name of the Principal or to create any liability against the Principal or bind the Principal in any way or for any purpose;
   5. without delay, transmit to the Principal all offers, orders and inquiries for the Products received by the Agent;
   6. closely observe the terms and conditions of sale, such as delivery periods, prices and terms of payment by the Principal and shall bring them to the customers’ notice;
   7. at its own expense, actively and continuously promote the sale of the Products in the Territory by means of effective marketing;
   8. with due diligence keep the Principal informed on market conditions and the state of competition in the Territory;
   9. upon reasonable request by the Principal, send the Principal report on its activities;
   10. immediately inform the Principal of unfair competition, changes in legislation or regulations and of any other events which may be of interest to the Principal;
   11. not be entitled to receive payments on the Principal’s behalf unless otherwise agreed in writing;
   12. transmit any request, order or inquiry made by persons situated outside the Territory to the Principal. However, such transmission shall not entitle the Agent to any commission or other remuneration, unless otherwise specifically agreed in writing; and
   13. forwarded, without delay, to the Principal any observations and complaints made by customers in respect of defects in the Products received by the Agent. Decisions concerning complaints shall be made by the Principal. The Agent shall, however, assist the Principal in settling the complaints.
   14. The Agent may not, without the Principal’s prior written consent, directly or indirectly represent, sell, promote or manufacture products which may actually or potentially compete with the Products.
   15. The Agent undertakes:
   16. to take all reasonable and proper steps to inform itself on the financial standing and solvency of the customers and the potential customers and to pass on to the Principal all such relevant information, as well as to assist the Principal in collecting any outstanding customers debts; and
   17. without prejudice to any other obligations under this Agreement, that the Agent shall not, at all times:
2. indirectly or directly pay or attempt to pay or receive or solicit, as the case may be, any commissions, profits, bonus, incentive or any other payments or consideration from or to the customer or any other person to secure or induce any orders for the Products; or
3. maintain stock of the Products belonging to the Principal in any of its premises in the Territory.
4. **THE PRINCIPAL’S RIGHTS AND OBLIGATIONS**
   1. The Principal shall provide the Agent with such quality specifications, samples, marketing material and general information on the Products as the Principal deems appropriate to facilitate the Agent’s performance of its obligations under this Agreement.
   2. The Principal undertakes to provide the Agent with all necessary information relating to the production, prices, delivery terms and conditions of sale in relation to the Products to facilitate the Agent’s performance of its obligations hereunder.
   3. The Principal shall be free to reject any orders transmitted by the Agent or modify conditions subject to the acceptance of the relevant end customer.
5. **COMMISSION**
   1. The Agent is entitled to a gross commission of \_\_\_\_\_ % based the Principal’s sales of the Products procured by the Agent within the Territory calculated on the net invoice price.
   2. Taxes shall be born by the Parties according to the applicable Law.
   3. The Agent acquires a right to the commission once the business between the Principal and the customer has been concluded. Notwithstanding the foregoing the Agent will loose the right to the commission if the business is not carried out for a reason of which the Principal is not responsible.
   4. The commission shall be paid not later than on the last day of the month following the quarter in which it became due.
   5. All the expenses and outlays of the Agent resulting from his ordinary activities defined in this Agreement shall be regarded as covered by the commission the Agent may claim in conformity with the respective provisions of this Agreement.
6. **CONFIDENTIALITY** 
   1. Any information which has been or will be transmitted between the Parties relating to this Agreement shall be retained by the Party receiving such information in strict confidence. The Party receiving the information will not acquire any right, title or interest therein or thereto.
   2. The provisions of this article shall be extended to the employees of both Parties and shall survive the termination or cancellation of this Agreement for any reason whatsoever.
7. **INTELLECTUAL PROPERTY**

The Parties shall respect the trade names, business names, trademarks, patents and in general all industrial and intellectual property of the other parties, registered or otherwise, undertaking not to appropriate them or use them without written permission.

1. **PUBLIC ANNOUNCEMENTS**

No public announcement or press release in connection with the signature or subject matter of this Agreement shall be made or issued by or on behalf of either Party without the prior written approval of the other Party and such approval shall not be unreasonably withheld or delayed.

1. **TERMS AND TERMINATION**
   1. The Agreement shall be effective as of \_\_\_\_\_ and until \_\_\_. Unless the Parties agree in writing prior to the expiry date to renew this Agreement, this Agreement shall automatically terminate after the expiry date and be of no further force or effect thereafter.
   2. Upon expiry or termination for any cause the Agent shall not have a right to indemnification due to new clients brought to the Principal or to the increase of operations with the Principal’s existing clients.
   3. If any Party shall at any time breach this Agreement, the affected Party may, at its option, terminate this Agreement in respect of the breaching Party by giving sixty (60) days written notice of its intention to do so, which notice shall specify such breach or breaches; provided, however, that if during such sixty (60) day period the breaching Party shall fully remedy all such breaches, then such notice of termination shall be null and void. Otherwise this Agreement in respect of the breaching Party shall terminate upon the expiration of said sixty (60) day period.
   4. At the termination of this Agreement the Agent shall automatically and at his own expense return to the Principal any display products, advertising material, documents and other property of the Principal, which may have been supplied by the Principal to the Agent and which is still in the Agent’s possession.
2. **WAIVER**

The failure of either Party to enforce at any time any of the provisions hereof or any right with respect thereto shall not be construed to be a waiver of such provisions of a waiver of the right of such Party thereafter to enforce any such provision or right.

1. **NOTICES**
   1. Any notice to be served under this Agreement may be delivered by hand (with receipt confirmed in writing) or sent by registered courier to the Party to be served at its address set out in the preamble of this Agreement or as otherwise agreed between the Parties in writing.
   2. All such notices or communications will be deemed to have been duly given or made:-
      1. when delivered by hand; or
      2. upon delivery by registered courier,

provided always that if such notice is given on a day other than a business day the notice will be deemed to have been given on the next day which is a business day. “Business day for purposes of this clause shall mean a day on which banks are open for normal business in the UAE.

1. **No partnership or agency**

Nothing in this Agreement shall be deemed to constitute a partnership between the Parties, nor constitute either Party constituting or becoming in any way the agent of the other Party for any purpose.

1. **ENTIRE AGREEMENT AND AMENDMENTS**

This Agreement constitutes the entire agreement between the Parties relating to the subject matter of this Agreement and supersedes all previous verbal or written agreements and negotiations between the Parties and this Agreement, including this clause, may only be modified or amended if mutually agreed in writing and signed by the duly authorised representatives of the Parties.

1. **FORCE MAJEURE**
   1. Neither of the Parties to this Agreement shall be responsible to any other Party for any delay in performance or non-performance of its obligations hereunder due to any cause beyond its reasonable control, but the affected Party shall promptly upon the occurrence of any such cause so inform the other Party in writing, and thereafter such Party shall use reasonable endeavours to comply with the terms of this Agreement as fully and as promptly as possible.
   2. If performance of the Agreement is suspended under this clause for more than [eight (8) consecutive weeks] either Party may by notice in writing to the other terminate this Agreement and without the need to obtain a court order.
2. **INVALIDITY**

If any Party of this Agreement is determined to be invalid, unenforceable or illegal the remainder shall be enforceable to the maximum extent possible.

1. **SEVERABILITY**

If any part of the Agreement becomes invalid, illegal or unenforceable the parties shall in such an event negotiate in good faith in order to agree the terms of a mutu­ally satisfactory provision to be substituted for the invalid, illegal or unenforcea­ble provision which as nearly as possible validly gives effect to their intentions as expressed in the Agreement. Failure to agree on such a provision within six months of commencement of those negotiations shall result in automatic termina­tion of the Agreement. The obligations of the parties under any invalid, illegal or unenforceable provision of the agreement shall be suspended during such a nego­tiation.

1. **REPRESENTATION**

The Parties represent that they are legally entitled and empowered to perform all aspects of this Agreement and that they will take steps necessary to comply with the law and the diligent performance of all aspects of this Agreement the performance of their obligations hereunder to the other Party. The failure of any Party to comply with any legal requirements for any cause shall not discharge it from any of its obligation under the terms of this Agreement.

1. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which when executed shall constitute an original, but all of which when taken together shall constitute one and the same Agreement.

1. **Costs**

Each Party shall pay the costs and expenses incurred by it in connection with the entering into of this Agreement.

1. **Language**
   1. Any notice given in connection with this Agreement must be in Arabic Language.
   2. Any other document provided in connection with this Agreement must be:
      1. in Arabic Language; or
      2. (unless the Parties otherwise agree).
2. **Governing Law and dispute resolution**
   1. This agreement shall be governed and construed in accordance with the laws of the United Arab Emirates.
   2. The Parties shall endeavor to resolve all disputes or differences in relation to this agreement through good faith negotiations.
   3. Any dispute arising out of or in connection with the formation, performance, interpretation, nullification, termination or invalidation of this agreement or arising there from or related thereto in any manner whatsoever which has not been resolved pursuant to clause 20.2 above within the 5 (five) days, shall be subject of the exclusive jurisdiction of the UAE courts.

**IN WITNESS WHEREOF**, each of the Parties has caused this Agreement to be executed in \_\_\_ originals by its duly authorized representatives:

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| Signed for and on behalf of **[the Agent]** | .......................................  General Manager / Director |
| Signed for and on behalf of **[the Principal]** | .......................................  General Manager / Director |