

BROKER CONTRACT AND AGREEMENT TEMPLATE



The Broker Contract and Agreement establishes the terms and conditions under which a Broker shall find either interested buyers for the products being sold by the Seller or products to purchase for a Buyer. In both situations, the Broker functions may be limited to merely introducing a seller and a buyer, or may have greater participation in the transaction between the Parties and may consist of assisting with the negotiation of the final agreement. The Broker’s remuneration could be established either as a percentage on the sales or purchases made effectively or as a fixed amount per seller or buyer referred, irrespective of the value of the resulting commercial transaction. The **Broker Contract** can be used either for brokers or for manufacturing and distribution companies of different products.

BROKER CONTRACT

DATE:

BETWEEN:

..... [company legal name] whose registered office is at
[address, city and country] and registration/fiscal number is (hereinafter referred to as the “Seller”),

AND:

Alternative A [When the Broker is an individual and independent professional]

Mr./Ms., of legal age, [include professional qualification], Tax Identification Number....., registered address , acting on his/her own behalf (hereinafter, the “Broker”).

Alternative B [When the Broker is a company]

..... [company legal name] whose registered office is at
[address, city and country] and registration/fiscal number is (hereinafter referred to as the “Broker”).

WHEREAS, the Seller desires to sell certain products;

WHEREAS, the Broker has contacts within the following industry: [enter name of the industry or activity], and desires to act as an intermediary finder of buyers for the Seller's products;

NOW, THEREFORE, in consideration of the premise and the mutual covenants and agreements set forth herein, the Parties hereto agree as follows:

1. SERVICES

The Broker shall use its commercially reasonable efforts and adequate business time and attention to identify interested buyers of products that the Seller wishes to make sales to, and introduce the interested buyers of such products to the Seller.

The Broker shall find interested buyers of the following products:

.....
[Specify the products that the Seller wishes to sell]

All interested buyers of products shall be identified in writing by the Broker to the Seller ("Identified Business") before they shall be deemed covered by this Agreement.

This Agreement shall not apply to and the Broker shall not be entitled to a collect a Fee (defined below) for:

- (a) interested buyers of products to which the Seller has previously been introduced to by another party at any time during the term of *[enter number, usually 12]* month period prior to the Date written above, or
- (b) interested buyers of products the Broker otherwise represents, either directly or indirectly ("Excluded Businesses").

2. LEGAL COMPLIANCE

Alternative A. The Broker certifies that no certification or license is required by the following industry:*[enter name of the industry included in the Preamble]*.

Alternative B. As required by the following industry: *[enter name of the industry included in the Preamble]* the Broker shall comply with all applicable laws and has obtained the appropriate and necessary licenses to provide the broker services.

3. TERRITORY AND EXCLUSIVITY

The Territory assigned by the Seller to the Broker for the sale of the products is
[enter territory: country or countries, regions, etc.].

Alternative A. For the term of this Agreement, the Broker shall have the non-exclusive right to introduce prospective buyers to the Seller, within the Territory, who are not already known to the Seller.

Alternative B. For the term of this Agreement, the Broker shall have the exclusive right to introduce prospective buyers to the Seller, within the Territory, who are not already known to the Seller.

4. DUTIES OF THE BROKER

Alternative A. This Agreement contemplates the Broker only making an introduction.

Alternative B. This Agreement contemplates the Broker making an introduction. Besides making an introduction, the Broker shall take part in the transaction between the parties, with the Seller having the right of final approval of the deal.

Alternative C. This Agreement contemplates the Broker making an introduction. Besides making an introduction, the Broker shall take part in the transaction between the parties, with the Seller having the right of final approval of the deal. Though the Broker shall not be involved with the transaction detail outside of making the initial introduction, the following essential conditions must be met in order for the Broker to be paid. If these conditions are not met, the Broker shall not receive payment for making the introduction.

.....
[Specify the requisite conditions for the payment of the Broker]

.....

This is a sample of the Broker Contract.

To get more information about this contract click here:



USER GUIDE

Contracts drafted by the legal experts of Global Negotiator cover all relevant aspects that are negotiated and agreed in the different types of business between companies. However, when these contracts are used you should take into account some recommendations common to all of them that are described in this User Guide.

DATE

The date when the contract comes into force is the one that appears in its header, as mentioned in the final paragraphs of the contract, before signatures (This Contract comes into force on the date written above).

In some contracts -for example in the Supply Contract- the date of coming into force is also mentioned in one of the clauses. In these cases, you have to verify that the two dates inserted in the contract (in the heading and in the corresponding clause) are the same, in order to avoid discrepancies.

PARTIES

Be sure to insert in the first page of the contract the full details of the Parties:

- When a Party is a company you must insert the following information: legal name, legal form (limited, incorporated, etc.), full address, registration data and fiscal identification number.
- When a Party is an individual that works as independent professional (for example a commercial agent) you must insert the following information: full name, profession, full address and fiscal identification number.

CLAUSES

Clauses with different alternatives: choose the most favorable

In the most important clauses of each contract (exclusivity, payment terms, applicable law and competent jurisdiction, etc.) several drafting alternatives are proposed so you can choose the most appropriate to each situation. Therefore, the user before submitting the contract to the other Party must choose the alternatives that seem best suited to their interests, and eliminate the rest.

Clauses with blank spaces to be completed

In several clauses of the contract blank spaces appear with dots (.....) that the user has to complete inserting text. Following the dots, between brackets, you will see the data and explanations to insert the text.

- When the text between brackets is in normal letters (the same as the contract) and separated by "," or the word "o", the user must insert one of the options suggested.

Example of blank space (.....) with options to select between brackets:

Orders handled before completion of the present Contract which produce sales transactions within [1, 2, 3, 6] months shall entitle the Agent to receive the corresponding commission. In this case the user must choose between options 1, 2, 3 or 6 months and insert one in the blank space (.....).

- When the text between brackets is in italics the user has to insert the data and information requested and eliminate the bracketed text.

Example of blank space - (.....) to insert text:

Both parties, by mutual consent, resolve to refer any dispute to the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said Rules. The place of arbitration shall be [*city and country*]. In this case the user must insert in the blank space (.....) the city and country chosen to conduct the arbitration and afterwards eliminate the bracketed text [*city and country*].

Notices Clause

Sometimes it may happen that the official address of the Parties which appear at the beginning of the contract is different from which is to be used for communications between the Parties during the terms of the contract. In this case the user should include at the end of the contract a Notices Clause.

Example of Notices Clause:

Notices. - In order to comply with their contractual obligations, the Parties establish the following address for the provision of notices related to this contract:

- Party 1 [*insert full address*].
- Party 2 [*insert full address*].

ANNEXES

The contracts incorporate some Annexes, each of them, referenced to the corresponding Clause. Annexes are drafted in commonly used formats, although the user must adapt these formats and the text inserted in them to each particular situation.

SIGNATURES

People who sign

Persons signing the contract on behalf of the company must have the authority to do so and preferably, be entitled on the basis of a power of attorney. Below the signature, in addition to the full name of the person that signs his/her position must be inserted. When one of the Parties who signs is a natural person (for example a commercial agent in an Agency Contract) obviously he or she is the person that has to sign the contract.

The laws of some countries require that contracts, to be valid, shall be signed in front of witnesses or a public notary. Therefore, before signing a contract you should be informed about the requirements that may exist in each country.

Place and date of signature

Usually, contracts are signed by both Parties on the same date and place. Nevertheless, in international contracts, due to physical distance, it is common that each of the Parties sign in different dates and places. This contract provides for both alternatives, so it comes to choosing the most appropriate to each situation.

Number of copies

Usually, the Parties sign two copies of the contract, each Party retaining one of them, but can also arise the need to sign more copies. In this case all you have to do is mentioned explicitly the number of copies to be signed in the paragraph that is included at the end of the contract (Both Parties declare their conformity to the present contract, which is signed in copies, each of which shall be considered an original).

GENERAL RECOMMENDATIONS

The Parties must sign all pages of the contract, including Annexes, so they are also valid. It is better to use ball point or pen (not pencil) in a color other than black (e.g.: blue); this makes it easier to distinguish an original document from a photocopy.

It is preferable (although no mandatory) to express sums of money and percentages in words and figures. Of course, the words and figures for a given amount must match exactly. You also must insert the currency in which the amounts are expressed. It is advisable to use the rules establish by ISO that name each currency by three capital letters (EUR for euro, USD for dollar, GBP for sterling pound, JPY for Japanese yen, etc. - you can get the acronyms of every currency on the website www.oanda.com).

Once you have chosen the best alternatives of each clause and have completed the blank spaces you should revise the whole contract to remove remaining paragraphs and correct any errors.

LEGAL WARNING

Depending upon your particular situation this contract might not meet your needs and requirements. In case of doubt, you should consult a legal advisor.

Global Marketing Strategies, S.L. as publisher and copyright holder of this contract disclaims all warranties, whether express or implied, respecting the legal content of this contract. For any claims arising out or in connection with the use of this contract, Global Marketing Strategies shall be limited to a refund of the purchase price.

BUSINESS CONTRACTS

- Strategic Alliance Agreement
- Joint Venture Agreement
- Manufacturing Contract
- Supply Contract
- Service Provider Contract
- Consulting Services Contract

COMMERCIAL CONTRACTS

- Exclusive Distribution Contract
- Commercial Agency Contract
- Sales Representative Agreement
- Sales Commission Contract
- Real State Agent Agreement

LICENSE & FRANCHISE CONTRACTS

- Trademark License Agreement
- Technology Transfer Agreement
- Software License Agreement
- Franchise Contract
- Master Franchise Contract

CONFIDENTIALITY CONTRACTS

- Confidentiality Contract between Companies
- Confidentiality Contract for Product or Business Idea
- Confidentiality Contract for Employees
- Confidentiality Contract for Consultants and Contractors

Online Purchase

www.globalnegotiator.com

info@globalnegotiator.com



GLOBALNEGOTIATOR
International Documents