

MATTERS THAT SHOULD BE INCLUDED IN AN AGREEMENT

1. PARTIES

The parties must use the official registered name of the Corporation or legal entity. The duly authorized representative of each party must sign the Agreement.

2. PERIOD/TERM OF AGREEMENT

The length of the initial term of the contract must be specified and the parties should agree on the manner of renewal of the same.

3. SUBJECT MATTER

The subject of the Agreement must be specified, whether in the Agreement or incorporated thereto by reference.

4. CONSIDERATION

State the amounts to be paid and/or shall be payable. Attach a payment schedule or incorporate it by reference, if necessary. The Agreement must also set forth the process for increasing prices (escalation), if applicable, and contain provisions regarding ordinary inflation and/or deflation, including the manner of giving notice for any change in consideration.

5. TERMS OF PAYMENT

The terms of payment specified in the Agreement. The parties should also state when payments are due and in what currency payable.

6. PERFORMANCE GOALS (if necessary)

In drafting performance goals, the purposes and goals of the parties in entering into the Agreement and the specific consequences of not meeting said goals must be carefully considered.

7. RESPONSIBILITIES/OBLIGATIONS OF THE PARTIES

It is important to spell out the obligations of both Parties, which may be negotiated while drafting the Agreement.

8. WARRANTIES and REPRESENTATIONS

Representations refer to the matters which the Parties certify to be true and which may have motivated the Parties into entering into the Agreement.

The parties should specify how warranties will be handled. Generally a warranty provision should define the scope of the warranty, including what is and is not covered by the warranty and the duration of the warranty,

9. INTELLECTUAL PROPERTY RIGHTS AND/OR TRADE SECRETS (if subject matter includes sale of products and/or marketable services)

The main purpose of this clause is to prohibit the other party from registering any of the other party's rights as his own and to ensure that the each is obliged to notify the other if there is any violation of said rights.

10. TERMINATION

It is important that any Agreement set out the grounds upon which the parties may wish to terminate the Agreement. The Agreement may allow termination for cause and termination for convenience. When an Agreement allows termination for convenience, a party wishing to disengage from the agreement may be required to serve a Notice of Termination to the other party within a certain period, for example, 30 days notice. It is also useful to specify the consequences of termination.

11. POST TERMINATION RIGHTS

The Agreement must spell out the responsibilities of both parties not only during, but also after the life of the Agreement. A reliable agreement must clearly state the responsibilities and obligations of both parties during the life of the agreement, upon notice of termination, and after the agreement is terminated officially.

12. ASSIGNMENT

The parties should decide whether the contract may be assigned and under what conditions. Generally, the parties should include a provision stating that a Party must notify the other of any assignment and receive the latter's permission for said assignment.

13. GOVERNING LAW AND DISPUTE RESOLUTION

The principal objective of a dispute resolution clause is to have any disputes which may arise resolved by an independent tribunal.

Other Clauses:

- Exclusivity
- Confidentiality
- Good Faith Clause
- Separability
- Venue