**Heads of Terms**

**[with legally binding parts]**

**THIS AGREEMENT IS MADE** ………………. **[INSERT DATE]**

**BETWEEN**

1. **[COMPANY NAME] LIMITED**, a company formed in accordance with the laws of England and Wales with registered company number [number] and registered offices situated at [address] (“**the Company** ”);
2. **[SUPPLIER NAME] LIMITED**, a company formed in accordance with the laws of [PLACE] with registered company number [number] and registered offices situated at [ADDRESS] (“**the Supplier**”),

each a “**Party**” and together the “**Parties**”.

**BACKGROUND**

1. The Parties are considering entering into an agreement to [describe].
2. The Parties have agreed to these heads of terms to further progress negotiations with a view to preparing legally binding contractual documentation whereby the Company will [describe] and the Supplier will [describe].

**NOW IT IS HEREBY AGREED**

1. **Preliminaries** 
   1. Clause [4] and the following clauses are legally binding upon the Parties.
   2. Other than clause [4] and the following clauses, this Agreement will not be legally binding upon the Parties.

1. **Definitions and Interpretation**
   1. The following terms are defined for convenience. They are not to be taken in account when interpreting the legally binding parts of this Agreement:
      1. […]
      2. […]
2. **Heads of Terms**
   1. The Parties are considering entering into an agreement which provides as follows.
   2. […]
   3. The Supplier will:
      1. […]
   4. The Company will:
      1. […]
3. **Confidentiality** 
   1. The Parties will keep secret and treat as confidential all information obtained from any other Party which marked confidential or is reasonably considered confidential (“**Confidential Information**”), including the existence and terms of this Agreement.
   2. Confidential Information received by a Party may only be used for the purposes of the negotiations described above.
   3. This clause does not extend to information which is public knowledge, trivial or obvious.
   4. Each Party shall return or destroy the Confidential Information of the other promptly upon a request made in writing by the disclosing Party.
4. **General**
   1. Unless otherwise stated, references to clauses are references to the clauses of this Agreement.
   2. This Agreement constitutes the entire understanding and agreement between the Parties in respect of the resolution of the Claims.
   3. Each Party acknowledges that it has not entered into this Agreement in reliance of any statement made by or on behalf of the other Party (whether orally or in writing) other than as expressly set out in the Recitals [4] or clause and onwards.
   4. This Agreement may be executed in any number of counterparts, each of which is an original and which together have the same effect as if each Party had signed the same document.
   5. The Parties agree that the terms of this Agreement are not enforceable by any person under the Contracts (Rights of Third Parties) Act 1999.
   6. This Agreement shall be governed by the laws of England and the Parties submit to the exclusive jurisdiction of the English Courts, and in each case including non-contractual claims and disputes.

Agreed on the day first mentioned

Signed for and on behalf of )

**[COMPANY NAME] LIMITED** )

………………………………………

[Director Name]

………………………………………

Date

Signed for and on behalf of )

**[SUPPLIER NAME] LIMITED** )

………………………………………

[Director Name]

………………………………………

Date