

BULLETIN

September 19, 2025

WHAT ARE THE MAIN CONTRACTS A COMPANY NEEDS? WHAT ELEMENTS SHOULD THESE AGREEMENTS CONTAIN?



Contract sets consist of different types of contracts depending on the company's field of activity, sector, and the nature of its commercial relationships. Each of these contracts forms the cornerstones of the company's overall legal structure by separately regulating the relationship between the parties, its scope, obligations, and risks.

1. Service Agreements



Service contracts are agreements whereby an individual or company undertakes to perform a specific task in exchange for a certain fee. These types of contracts provide a legal basis for services sourced by the company from external providers. Services such as technical support, consulting, software support, cleaning, logistics, human resources, training, and security fall under this category.

Service contracts are made for services that fall outside the company's area of expertise but are necessary for it to continue its operations. For example, an accounting service outsourced by a technology company or contract manufacturing support for a textile company are secured through contracts of this type..

Having these agreements as a standard part of the company's contract set helps clearly define who the service providers are, the terms under which they work, the duration of their services, and the confidentiality provisions.

1.1. Completion Conditions and Performance Criteria

Service contracts often involve process-oriented work, so it must be clearly defined when and how performance is deemed complete. Therefore, it is crucial to include "completion conditions" and "performance criteria" in the contracts.

For example, clauses such as a software company's technical support service including at least a certain number of interventions per month, or a consulting firm providing specific analysis reports on time, ensure the monitoring of the service and verify whether the service is being performed. These criteria provide an objective assessment for both the service recipient and the service provider.

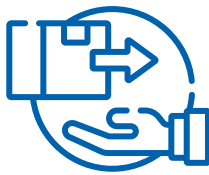
1.2. Confidentiality, Non-Competition, and Penalty Clauses in Service Agreements

Service providers may have access to sensitive information such as the company's internal structure, customer portfolio, pricing strategies, and business processes. Therefore, confidentiality clauses must be included in service agreements. In addition, in some cases, non-compete clauses that prevent the service provider from working for or providing services to a competing company in the same industry for a specified period of time can also be advantageous for many companies.

Penalties applicable in the event of a breach of such provisions can be effectively incorporated into the contract to protect the company's interests.

For example, if an e-commerce company outsources its call center services, relying on verbal agreements or contracts written in general terms poses a significant risk. However, with a comprehensive service agreement, the number of operators, call response time, weekly/monthly reporting, complaint procedures, and confidentiality provisions are clarified. This ensures both quality of service and establishes a secure relationship between the parties.

2. Supply Contracts



Supply contracts are agreements whereby one party undertakes to supply a specific product or goods to the other party under certain conditions. Supply contracts are of vital importance for every company involved in manufacturing, sales intermediation, or any link in the logistics chain

The company's continuity, production quality, and customer satisfaction, which are fundamental performance indicators, are directly dependent on supply relationships. Therefore, supply contracts should not be treated as simple documents containing only price and delivery date; they should be considered comprehensive texts that provide technical and legal security.

2.1. Delivery Periods and Completion Conditions in Supply Contracts

One of the most critical aspects of supply contracts is the principle of timely delivery. Particularly in the production chain, problems such as "delayed raw materials" or "shortage of materials" can cause chain disruptions. Therefore, the completion conditions and delivery period should be clearly stated in the contract.

For example, a delay of a few days in the fabric supply period for a textile company can disrupt the entire plan for seasonal products. To prevent such delays, provisions such as penalties based on delivery time and late fees can be added to the contract to compensate the receiving company for its losses.

2.2. The Importance of Provisions Regarding Product Quality

Not only the availability of the supplied product, but also its quality is important. Provisions such as the technical specifications of the goods to be supplied, quality certificates, certification requirements, testing criteria, and return procedures should be included in supply contracts to ensure that the expected quality is guaranteed.

In addition, product deterioration, incorrect delivery, packaging issues, or determining product liability obligations are also important from a risk management perspective.

2.3. Payment Terms and Currency Risk

If payment terms, exchange rate differences in foreign currency purchases, maturities, and discount provisions are not predetermined in supply relationships, financial uncertainties and off-budget burdens may arise. Therefore, the contract should include:

- » The currency of the price
- » Whether interest will be applied to forward purchases,
- » Discount conditions for bulk purchases,,
- » Provisions such as who will bear the cost of currency fluctuations must be included in supply contracts.

3. Sales and Distrubution Agreements



Sales and distribution agreements govern the commercial relationships established by the company to sell, distribute, or represent its products or services to third parties. These agreements directly impact revenue streams as they regulate the company's market access, customer engagement methods, and post-sale processes.

Bayi sözleşmeleri, distribütörlük sözleşmeleri, temsilcilik sözleşmeleri, doğrudan satış sözleşmeleri gibi sözleşmeler ürün veya hizmetlerin son kullanıcıya ulaşması sürecindeki en önemli husustur. Bu kapsamda bu sözleşmelerde dikkat edilmesi gereken hususlar sınırlar, performans ölçütleri, ücretlendirme ve fikri mülkiyet hakları, garanti ve iade sürecidir.



3.1. Authority, Boundaries, and Regions

One of the most important elements in such agreements is to clearly define the territory of the person granted distribution rights (distributor, dealer, sales representative). Specifying the territory or customer base for the authorized seller not only facilitates sales but also prevents your product from falling into the hands of unauthorized persons. The contract must also include provisions regarding whether there will be a non-competition clause and whether the seller will be allowed to sell other products. Otherwise, there is a possibility that your company's products will be sold alongside competing products.

3.2. Goals, Bonuses, and Performance Measures

Sales and distribution agreements are often performance-based relationships. Therefore, the responsibilities of the parties must be defined not only in general terms but also with measurable objectives.

- » Monthly, quarterly, or annual sales targets,
- » Bonus or discount systems to be applied in case these targets are exceeded,
- » Consequences to be applied in case targets are not met (e.g., suspension or termination of the contract),

3.3. Fees and Intellectual Property Rights

As the product owner, you may request that a common pricing policy be followed within the distribution network to maintain brand integrity. Therefore, matters such as recommended retail prices, campaign periods, and discount rates can be regulated in sales agreements. Additionally, situations such as authorized dealers running their own campaigns, using the brand name, or selling mixed products can be restricted. This way, you can prevent your product from being sold at different prices in different locations..

You can protect your intellectual property rights related to your product by addressing matters such as the terms of use for marketing materials, penalties for unauthorized use of the logo, and online sales rules. By regulating these matters, you can guide, restrict, or control how sellers use logos associated with your product or brand.

3.4. Warranty and Return Processes

In this area, where contact with the end user is most intense, the organization of after-sales services is also important to avoid damaging your brand name. Clearly defining issues such as product returns, warranty periods, technical service, and exchange procedures is critical for customer satisfaction and brand reputation

. Matters such as whether the company will provide these services directly or through a dealer, and which party will cover the expenses, may be included in the contract..

For example, if a medical device manufacturer wants to expand its distribution network to gain access to hospitals in certain regions, its contracts with distributors must detail product promotion, training support, warranty tracking, and regional boundaries. Otherwise, it may face both legal liabilities and user complaints.



4. Intellectual Property Agreements



Intellectual property agreements allow you to protect the brand names, inventions, innovation codes, and trade secrets of the products, projects, and brands created by a company. In short, the things you discover, design, or develop belong to you and should not be used without permission.

These agreements are particularly important for companies when creative or technical products such as designs, software, brands, patents, and product formulas are involved. Such inventions, ideas, and creations are high in material value but easy to steal or imitate, and therefore must be protected by intellectual property agreements or clauses relating to intellectual property.

4.1. What Do Intellectual Property Agreements Protect?

Intellectual property agreements typically cover the following topics:

- » Determines who owns designs, projects, or software..
- » This prevents others from using these ideas without permission.
- » It regulates whether the rights to something developed by someone working within the company or someone providing services from outside belong to the company.
- » If the use of these rights is to be temporarily granted to another person or company (e.g., a software license), it prevents counterfeiting and reverse engineering by specifying the conditions.

4.2. Against Whom Should I Protect My Intellectual Property Rights?

These types of contracts can be signed with individuals who do business with you or are your competitors, or who engage in contract manufacturing, and generally arise in two situations:

- » **Employees** – If employees, particularly those in departments such as design, software, and R&D, develop a product, a contract must be drawn up to ensure that the rights to this product belong to the company. Otherwise, the employee may consider the product to be their own. They may sell the product they developed to other companies or claim it as their own and demand compensation from the company.
- » **With business partners or suppliers** – For example, if an agency designs a logo for you, a contract is required to ensure that the rights to use this logo are fully transferred to you. Otherwise, the agency may sell the logo to other companies.

In summary, intellectual property agreements provide protection against others using your inventions, designs, proprietary recipes, or brand without permission. For example, as a fashion designer, you have created a special dress collection and agreed with a workshop to produce this collection. Without an intellectual property agreement, the workshop could use your information to produce the same designs for other companies. If no intellectual property agreement has been made, the copying of your designs cannot be legally prevented. However, if an agreement has been signed to protect your intellectual property, you can sue the person or company using your designs without permission and seek compensation

5. Confidentiality Agreements



Confidentiality agreements are contracts designed to prevent the unauthorized disclosure or use of private information shared with an individual or company. A great deal of information circulates both within and outside companies: customer lists, price quotes, production methods, business plans, designs, software, formulas. Confidentiality agreements ensure the protection of this information

These agreements ensure that the confidential information you provide to an individual or company while working with them is protected. Under the confidentiality agreement, the individual or company you work with is prohibited from using or sharing this information and is obligated to store it securely and destroy it when necessary.

5.1. With Whom is the Confidentiality Agreement Made?

Confidentiality agreements often arise in the following situations:

- » When a new employee starts work,
- » When conducting a business meeting with a company (for example, an investor or a manufacturer),
- » When working with an external service provider such as a software developer, consultant, or designer.

Since these individuals or companies will have access to your company's information, confidentiality agreements determine how this information will be used, stored, protected, and how compensation will be provided in the event of a breach of confidentiality.

5.2. What Do Confidentiality Agreements Cover?

Confidentiality agreements are generally intended to protect the following types of information:

- » Pricing and cost information
- » Customer and supplier information
- » Technical details, production processes
- » Software codes, business plans
- » Images, designs, branding ideas
- » Specific strategies related to the job
- » All kinds of trade secrets

5.3. What is the Purpose of a Confidentiality Agreement?

Let's say you are a software company and you hired an external IT specialist to test an application you developed. If there is no confidentiality agreement, that specialist could sell your code to someone else or use it in their own software. However, if there is a confidentiality agreement and such a thing happens, the IT specialist will be liable to compensate you for your damages and pay damages if they have knowingly or unknowingly breached confidentiality.

Privacy agreements typically include the following rules: Which information is confidential (e.g., customer list, technical drawings, etc.)

- » This information will only be used for specific purposes.
- » Information cannot be shared with third parties.
- » What penalties will be imposed if information is leaked?
- » How long the confidentiality obligation will continue after the contract ends.

This reduces risks that could threaten the company's future and competitive strength.

For example, imagine a fashion company meeting with an agency to show its new season designs. If you don't want the agency to share those designs with other brands after the meeting, a confidentiality agreement must be signed with the agency. This ensures the designs are protected.



6. How to Prepare Contract Sets?

The first step in preparing a contract set is to understand what the company does, who it works with, and how it operates. Issues such as whether the company manufactures products or provides services, who its customers are, how its suppliers operate, and whether the business involves intellectual property rights or confidential information are evaluated.

For example:

- » While timely delivery and design rights are important for a textile company,
- » For a software company, code confidentiality and licensing rights are paramount.
- » For a chemical company, transportation safety and hazardous material regulations are critical.

Contracts prepared without this analysis will be incomplete and inadequate.

In the second step, the types of contracts the company needs are determined. In this step, specific contracts are designed in the areas where they are necessary, such as services, supply, sales, distribution, confidentiality, and intellectual property.

Additionally, any specific requirements for the company are identified: for example, if an external trainer is hired, a training contract is prepared; if brand usage permission is granted, a license agreement is prepared; if a subcontractor is used, a subcontractor agreement is prepared.

Result

Contract sets form the basis of the legal infrastructure that companies need to conduct their activities in a secure, efficient, and sustainable manner. These sets should be tailored specifically to the company's sector, business model, and the nature of its commercial relationships; they should cover every area, from service procurement to product supply, sales and distribution processes to intellectual property and confidentiality provisions.

Service contracts secure the use of external resources, while supply contracts clarify the procurement of goods, quality, timing, and payment terms. Sales and distribution contracts directly impact the company's revenue stream by regulating how products and services reach the customer. Intellectual property agreements protect the company's designs, projects, software, and trade secrets, while confidentiality agreements prevent the misuse of sensitive information shared with business partners or employees.

Each contract reduces the risk of disputes by clarifying the parties' duties and responsibilities, strengthening the company's rights and interests. Furthermore, provisions in contracts such as completion conditions, performance criteria, non-competition clauses, penalty clauses, warranty and return processes facilitate the company's operational control and raise quality standards.

In conclusion, contract sets are not merely legal documents; they are strategic tools that reflect, regulate, and protect the company's business model. Therefore, every company should prepare comprehensive and enforceable contract sets based on its own needs analysis, viewing these sets not as one-time documents but as living documents that are continuously updated. This ensures that commercial relationships are secured and the company's corporate structure is strengthened.

