

## Supply Agreement

This Supply Sales Agreement is made on [AGREEMENT DATE] (the "Effective Date") between [PARTY A NAME], [whose principal place of residence is at / a [CORPORATE JURISDICTION] corporation with its principal place of business at [PARTY A ADDRESS]] (the "[PARTY A ABBREVIATION]") and [PARTY B NAME], [whose principal place of residence is at / a [CORPORATE JURISDICTION] corporation with its principal place of business at [PARTY B ADDRESS]] (the "[PARTY B ABBREVIATION]").

1. **Supply and Purchase of Products.** [PARTY B] will supply and [PARTY A] will purchase the [SHORT DESCRIPTION OF THE PRODUCTS] (the "Products") in accordance with the terms of this agreement.
2. **Orders**
  1. **Purchase Orders.** [PARTY B] will submit all orders for Products to [PARTY A] in writing to [PARTY A]'s address listed in the introduction to this agreement, or as [PARTY A] otherwise specifies in writing, (each a "Purchase Order") and include in each Purchase Order
    - a. each Product it is ordering, identified by model or part number,
    - b. the amount of each Product it is ordering,
    - c. the unit price of each Product it is ordering,
    - d. the location for delivery, and
    - e. the delivery date, allowing reasonable time for [PARTY A] to receive, review, and process the Purchase Order, and to ship the Products (the "Delivery Date").
  2. **Accepting, Modifying, and Rejecting Purchase Orders**
    - a. **By Notice.** Within [seven] Business Days' of receiving a Purchase Order from [PARTY B], [PARTY A] shall accept, reject, or propose a modification to the Purchase Order by sending [PARTY B] written notice of its acceptance, rejection, or proposed modification.
    - b. **Deemed Acceptance.** If [PARTY A] fails to notify [PARTY B] of its acceptance, rejection, or proposed modification, [PARTY B] may deem that [PARTY A] accepted the Purchase Order.
    - c. **Modification of Purchase Order.** [PARTY A] may propose a modification to a Purchase Order by including in its notice to [PARTY B] a modified Purchase Order for [PARTY B] to accept or reject according to the acceptance and rejection procedures under paragraphs [BY NOTICE] and [DEEMED ACCEPTANCE].
  3. **Canceling Purchase Orders.** [PARTY B] may, at no expense to itself, cancel part or all of a Purchase Order up to [CANCELLATION WINDOW] Business Days before the Delivery Date.
3. **Supply Forecasts.** On or before the Effective Date, and thereafter on or before the last day of each calendar quarter, [PARTY B] will

send [PARTY A] a Supply Forecast. The Supply Forecast will be a binding commitment on [PARTY B]'s behalf to purchase during the first quarter included in each Supply Forecast at least [MINIMUM PRODUCT PURCHASE PERCENTAGE]% of the quantity of the listed Product.

4. **Delivery.** [PARTY A] will deliver the [DELIVERABLE] and title to the [DELIVERABLE] to [PARTY B] (the Buyer) on [DATE, MONTH], at [DELIVERY LOCATION], using any applicable delivery method detailed in the [ATTACHMENT], attached to this agreement.
5. **Acceptance**
  1. **Acceptance of Delivery.** [PARTY A] will be deemed to have completed its delivery obligations if
    - a. in [PARTY B]'s opinion, the [DELIVERABLE] satisfies the Acceptance Criteria, and
    - b. [PARTY B] notifies [PARTY A] in writing that it is accepting the [DELIVERABLE].
  2. **Inspection and Notice.** [PARTY B] will have [INSPECTION PERIOD] Business Days to inspect and evaluate the [DELIVERABLE] on the delivery date before notifying [PARTY A] that it is either accepting or rejecting the [DELIVERABLE].
  3. **Acceptance Criteria.** The "Acceptance Criteria" are the specifications the [DELIVERABLES] must meet for [PARTY A] to comply with its requirements and obligations under this agreement, detailed in [ATTACHMENT], attached to this agreement.
6. **Pricing**
  1. **Product Prices.** The initial prices for all Products are set forth in Schedule A. All prices are FOB [PARTY A]'s designated shipping point.
  2. **Updated Price List.** [PARTY A] will update its price list each calendar quarter and give notice of the updated list to [PARTY B] no later than [15] days before the end of each calendar quarter.
7. **Purchase Price.** [PARTY B] will pay the Purchase Price to [PARTY A]
  1. in full,
  2. on [[DATE, MONTH] / delivery and [PARTY B]'s acceptance (after [PARTY B] has reasonable opportunity to inspect, at its own expense)],
  3. in immediately available funds, and
  4. to [PARTY A]'s account below:

Account Number:

Routing Number:

8. **Term**
  1. **Initial Term.** The initial term of this agreement begins on [the Effective Date] and will continue for [TERM YEARS] years, unless terminated earlier (the "Initial Term").

2. **Renewal Term by Notice.** Customer may renew this agreement for successive renewal terms of [RENEWAL YEARS] length ("Renewal Terms"), unless terminated earlier, by giving Company notice of the intent to renew this agreement, at least [RENEWAL NOTICE DAYS] Business Days before the end of the Current Term.
3. **Term Definition.** "Term" means either the Initial Term or the then-current Renewal Term.

9. **Mutual Representations**

1. **Authority and Capacity.** The parties have the authority and capacity to enter into this agreement.
2. **Execution and Delivery.** The parties have executed and delivered this agreement.
3. **Enforceability.** This agreement constitutes a legal, valid, and binding obligation, enforceable against the parties according to its terms.
4. **No Conflicts.** Neither party is under any restriction or obligation that may affect the performance of its obligations under this agreement.

10. **Limited Warranty**

1. **Warranty.** [PARTY B] warrants that the Products
  - a. will be free from material defects,
  - b. are made with workmanlike quality, and
  - c. will conform, within normal commercial tolerances, to the applicable specifications.
2. **Replacement Products.** Subject to paragraphs [NOTICE REQUIREMENT] and [EXCLUSIONS] directly below, [PARTY B]'s sole remedy for breach of this limited warranty will be [PARTY A] providing [PARTY B] with a replacement Product, at [PARTY A]'s sole expense.
3. **Notice Requirement.** [PARTY A] will only be required to replace Products under paragraph [REPLACEMENT PRODUCTS] if it receives written notice from [PARTY B] of such defect or nonconformity within 90 days after delivery of the Products.
4. **Exclusions.** This warranty does not extend to any Product [PARTY B] abuses, neglects, or misuses according to the applicable documentation or specifications, or to any Product [PARTY B] has had repaired or altered by a Person other than [PARTY A].

11. **Confidentiality**

1. **Confidentiality Obligation.** The receiving party will hold in confidence all Confidential Information disclosed by the disclosing party to the receiving party.
2. **Use Solely for Purpose.** A receiving party may only use the Confidential Information according to the terms of this agreement[ and solely for the Purpose].

3. **Non-Disclosure.** A receiving party may not disclose Confidential Information, [the existence of this agreement, the Transaction, or the Purpose] to any third party, except to the extent
    - a. permitted by this agreement
    - b. the disclosing party consents in writing, or
    - c. required by Law.
  4. **Notice.** A receiving party will notify the disclosing party if it
    - a. is required by Law to disclose any Confidential Information, or
    - b. learns of any unauthorized disclosure of Confidential Information.
12. **Termination**
1. **Termination upon Notice.** Either party may terminate this agreement for any reason upon [TERMINATION FOR CONVENIENCE NOTICE] business days' notice to the other party.
  2. **Termination upon Breach**
    - a. **Failure to Pay.** If [PARTY B] fails to pay when due any amount owing under this agreement and that failure continues for [five] business days, [PARTY A] may terminate this agreement, with immediate effect, by giving notice to [PARTY B].
    - b. **Any Other Breach.** If one party
      - i. commits any material breach or material default in the performance of any obligation under this agreement (other than [PARTY B]'s obligation to pay money), and
      - ii. the breach or default continues for a period of [CURE PERIOD] business days after the other party delivers Notice to it reasonably detailing the breach or default,
      - iii. then the other party may terminate this agreement, with immediate effect, by giving notice to the first party.
  3. **Termination upon Insolvency Event.** This agreement will terminate immediately upon the occurrence of an Insolvency Event.
13. **Effect of Termination**
1. **Termination of Obligations.** Subject to paragraph [PAYMENT OBLIGATIONS], on termination or expiration of this agreement, each party's rights and obligations under this agreement will cease immediately.
  2. **Payment Obligations.** Even after termination or expiration of this agreement, each party will
    - a. pay any amounts it owes to the other party, including payment obligations for services already rendered, work already performed, goods already delivered, or expenses already incurred, and

- b. refund any payments received but not yet earned, including payments for services not rendered, work not performed, or goods not delivered, expenses forwarded.
- 3. **No Further Liability.** On termination or expiration of this agreement, neither party will be liable to the other party, except for liability
  - a. that arose before the termination or expiration of this agreement, or
  - b. arising after the termination or expiration of this agreement and in connection with sections [[CONFIDENTIALITY], [TAXES], or [TERMINATION]].
- 14. **Limitation on Liability.** Neither party will be liable for breach-of-contract damages that are remote or speculative, or that the breaching party could not reasonably have foreseen on entry into this agreement.
- 15. **General Provisions**
  - 1. **Entire Agreement.** The parties intend that this agreement, together with all attachments, schedules, exhibits, and other documents that both are referenced in this agreement and refer to this agreement,
    - a. represent the final expression of the parties' intent relating to the subject matter of this agreement,
    - b. contain all the terms the parties agreed to relating to the subject matter, and
    - c. replace all of the parties' previous discussions, understandings, and agreements relating to the subject matter of this agreement.
  - 2. **Amendment.** This agreement can be amended only by a writing signed by both parties.
  - 3. **Assignment.** Neither party may assign this agreement or any of their rights or obligations under this agreement without the other party's written consent.
  - 4. **Relationship of the Parties**
    - a. **No Relationship.** Nothing in this agreement creates any special relationship between the parties, such as a partnership, joint venture, or employee/employer relationship between the parties.
    - b. **No Authority.** Neither party has the authority to, and will not, act as agent for or on behalf of the other party or represent or bind the other party in any manner.
  - 5. **Notices**
    - a. **Method of Notice.** The parties will give all notices and communications between the parties in writing by (i) personal delivery, (ii) a nationally-recognized, next-day courier service, (iii) first-class registered or certified mail, postage prepaid to the address that a party has notified to be that party's address for the purposes of this section.
    - b. **Receipt of Notice.** A notice given under this agreement will be effective on

- i. the other party's receipt of it, or
  - ii. if mailed, the earlier of the other party's receipt of it and the fifth business day after mailing it.
6. **Severability.** If any part of this agreement is declared unenforceable or invalid, the remainder will continue to be valid and enforceable.
7. **Waiver**
  - a. **Affirmative Waivers.** Neither party's failure or neglect to enforce any rights under this agreement will be deemed to be a waiver of that party's rights.
  - b. **Written Waivers.** A waiver or extension is only effective if it is in writing and signed by the party granting it.
  - c. **No General Waivers.** A party's failure or neglect to enforce any of its rights under this agreement will not be deemed to be a waiver of that or any other of its rights.
  - d. **No Course of Dealing.** No single or partial exercise of any right or remedy will preclude any other or further exercise of any right or remedy.
8. **Governing Law and Consent to Jurisdiction and Venue**
  - a. **Governing Law.** This agreement, and any dispute arising out of the [SUBJECT MATTER OF THE AGREEMENT], shall be governed by the laws of the State of [GOVERNING LAW STATE].
  - b. **Consent to Jurisdiction.** Each party hereby irrevocably consents to the [exclusive, non-exclusive] jurisdiction and venue of any [state or federal] court located within [VENUE COUNTY] County, State of [VENUE STATE], in connection with any matter arising out of this [agreement / plan] or the transactions contemplated under this [agreement / plan].
  - c. **Consent to Service.** Each party hereby irrevocably
    - i. agrees that process may be served on it in any manner authorized by the Laws of the State of [GOVERNING LAW STATE], and
    - ii. waives any objection which it might otherwise have to service of process under the Laws of the State of [GOVERNING LAW STATE].
9. **Counterparts**
  - a. **Signed in Counterparts.** This agreement may be signed in any number of counterparts.
  - b. **All Counterparts Original.** Each counterpart is an original.
  - c. **Counterparts Form One Document.** Together, all counterparts form one single document.

This agreement has been signed by the parties.

[PARTY A NAME]

[PARTY B NAME]

Name: [PARTY A SIGNATORY NAME]

Name: [PARTY B SIGNATORY NAME]

Title: [PARTY A SIGNATORY TITLE]

Title: [PARTY B SIGNATORY TITLE]