

# MANUFACTURING AGREEMENT

This is a customizable starting template, not a finished legal document. Replace every [BRACKETED] field with your specifics, delete or adapt any clause that does not fit your deal, and have a licensed attorney in the governing jurisdiction review it before you or anyone else signs. CyberSygn is not a law firm and this template is not legal advice.

This Manufacturing Agreement (this "**Agreement**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

[CUSTOMER LEGAL NAME], a [STATE] [ENTITY TYPE, e.g. corporation] with its principal place of business at [CUSTOMER ADDRESS] (the "**Customer**"); and

[MANUFACTURER LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [MANUFACTURER ADDRESS] (the "**Manufacturer**").

The Customer and the Manufacturer are each a "**Party**" and together the "**Parties**."

**Recitals.** The Customer designs and sells [DESCRIBE PRODUCTS] and wishes to engage the Manufacturer to manufacture and supply those products to the Customer's specifications. The Manufacturer has the facilities, equipment, and expertise to do so and wishes to manufacture the products on the terms below. In consideration of the mutual promises below, the Parties agree as follows.

## 1. Products and Specifications

**1.1 Products.** The Manufacturer will manufacture and supply to the Customer the products described in [Schedule A — Products] (the "**Products**") in accordance with this Agreement.

**1.2 Specifications.** The Manufacturer will manufacture the Products strictly in accordance with the written specifications, drawings, bills of materials, and quality standards provided or approved by the Customer (the "**Specifications**"), attached as [Schedule B]. The Manufacturer will not deviate from the Specifications without the Customer's prior written approval.

**1.3 Changes to specifications.** Either Party may propose a change to the Specifications. A change takes effect only when both Parties sign a written change order describing the change and its impact on price, lead time, and tooling. The Manufacturer is not obligated to implement a change until the change order is signed.

**1.4 Customer materials and IP.** Any tooling, molds, designs, drawings, and intellectual property the Customer supplies or pays for remain the Customer's property. The Manufacturer will use them only to manufacture the Products and will return them on request or on termination.

## 2. Orders, Forecasts, and Delivery

**2.1 Forecasts.** The Customer will provide non-binding rolling forecasts of its expected requirements [MONTHLY / QUARTERLY] to help the Manufacturer plan capacity and materials.

**2.2 Purchase orders.** The Customer will order Products by issuing written purchase orders specifying quantities, delivery dates, and destinations. Each accepted purchase order is governed by this Agreement, which controls over any conflicting pre-printed terms on a purchase order or acknowledgment.

**2.3 Acceptance and lead time.** The Manufacturer will accept or reject each purchase order within **[NUMBER]** business days and may reject only for good cause (such as quantities exceeding agreed capacity). Standard lead time is **[NUMBER]** days from order acceptance, unless otherwise agreed.

**2.4 Delivery terms.** The Manufacturer will deliver Products **[INCOTERM, e.g. FOB Manufacturer's facility / DAP Customer's facility — specify shipping point and who bears freight and risk of loss]**. Title and risk of loss pass to the Customer **[on delivery to the carrier / on delivery to the destination]**.

**2.5 Late delivery.** If the Manufacturer anticipates a delay, it will promptly notify the Customer and use reasonable efforts to mitigate. **[OPTIONAL: describe any agreed remedy for late delivery, such as expedited shipping at Manufacturer's cost. Otherwise delete.]**

### 3. Pricing and Payment

**3.1 Prices.** Prices for the Products are set out in **[Schedule A]** and are **[fixed for the initial term / subject to adjustment under Section 3.2]**.

**3.2 Price adjustments.** The Manufacturer may propose price changes on **[NUMBER, e.g. 60]** days' written notice, supported by documentation of material cost changes. Price increases apply only to orders accepted after the notice period and require the Customer's agreement for changes above **[PERCENTAGE]%**.

**3.3 Invoicing and payment.** The Manufacturer will invoice the Customer on shipment. The Customer will pay each undisputed invoice within **[NUMBER, e.g. 30]** days of the invoice date. Late undisputed amounts accrue interest at the lesser of **[e.g. 1.5%]** per month or the maximum rate permitted by applicable law.

**3.4 Taxes.** Prices exclude taxes. The Customer is responsible for sales, use, and similar taxes, except taxes based on the Manufacturer's net income.

### 4. Quality, Inspection, and Acceptance

**4.1 Quality standards.** The Manufacturer will maintain a quality-control system appropriate to the Products and will manufacture the Products free from defects in materials and workmanship and in conformity with the Specifications and applicable law.

**4.2 Inspection and testing.** The Manufacturer will inspect and test the Products before shipment as required by the Specifications and will provide certificates of conformance or test data when the Customer requests.

**4.3 Incoming acceptance.** The Customer may inspect and test delivered Products within **[NUMBER, e.g. 30]** days of receipt. The Customer may reject Products that do not conform to the Specifications by written notice describing the non-conformity.

**4.4 Remedy for non-conforming Products.** For conforming-rejection, the Manufacturer will, at the Customer's option and the Manufacturer's cost, promptly repair, replace, or refund the price of non-conforming Products, including reasonable return freight.

**4.5 Audit and access.** On reasonable notice, the Customer may inspect the Manufacturer's relevant manufacturing and quality records and, during normal business hours, the portions of the facility used to make the Products, subject to reasonable confidentiality and safety rules.

### 5. Warranties

**5.1 Product warranty.** The Manufacturer warrants that the Products will, for **[NUMBER]** months after delivery, conform to the Specifications and be free from defects in materials and workmanship.

**5.2 Compliance warranty.** The Manufacturer warrants that the Products will be manufactured in compliance with applicable laws and regulations governing their production, and that it holds the permits and licenses required for its operations.

**5.3 Customer warranty.** The Customer warrants that the Specifications and any materials it provides do not infringe a third party's intellectual property rights and comply with applicable law for the Products' intended use.

**5.4 Disclaimer.** Except as expressly stated in this Agreement, the Products are provided without other warranties, and the Manufacturer disclaims all implied warranties to the extent permitted by applicable law.

## 6. Intellectual Property and Confidentiality

**6.1 Customer IP.** The Customer retains all right, title, and interest in its designs, Specifications, trademarks, and other intellectual property. The Manufacturer receives no license except as needed to manufacture the Products for the Customer.

**6.2 Manufacturer IP.** The Manufacturer retains its own manufacturing know-how, processes, and general-purpose technology not specific to the Products.

**6.3 Confidentiality.** Each Party will protect the other's non-public information, use it only to perform under this Agreement, and disclose it only to personnel and advisors who need it and are bound by confidentiality obligations at least as protective as these.

**6.4 Exclusivity of design.** The Manufacturer will not manufacture Products built to the Customer's Specifications for any third party, or use the Customer's tooling for any other customer, without the Customer's written consent.

## 7. Indemnification and Limitation of Liability

**7.1 By the Manufacturer.** The Manufacturer will defend and indemnify the Customer against third-party claims arising from the Manufacturer's manufacturing defects, non-compliance with applicable law in producing the Products, or breach of this Agreement.

**7.2 By the Customer.** The Customer will defend and indemnify the Manufacturer against third-party claims arising from the Customer's Specifications, designs, or materials, including claims that they infringe a third party's intellectual property rights.

**7.3 Procedure.** The indemnified Party will give prompt written notice, allow the indemnifying Party to control the defense, and provide reasonable cooperation. The indemnifying Party may not settle in a way that imposes liability or admission on the indemnified Party without its consent.

**7.4 Limitation of liability.** Except for indemnification obligations, breach of confidentiality, or a Party's gross negligence or willful misconduct, neither Party is liable for indirect, incidental, special, or consequential damages, and each Party's total aggregate liability will not exceed **[the total amounts paid under this Agreement in the [NUMBER, e.g. 12] months before the claim]**.

## 8. Term and Termination

**8.1 Term.** This Agreement begins on the Effective Date and continues for an initial term of **[NUMBER] [months / years]**, then renews for successive **[NUMBER]**-period terms unless either Party gives at least **[NUMBER]** days' written notice of non-renewal.

**8.2 Termination for convenience.** Either Party may terminate for convenience on **[NUMBER, e.g. 90]** days' prior written notice.

**8.3 Termination for cause.** Either Party may terminate immediately on written notice if the other materially breaches and fails to cure within **[NUMBER, e.g. 30]** days after written notice describing the breach, or becomes insolvent.

**8.4 Effect of termination.** On termination, the Customer will pay for all conforming Products delivered and accepted, and for accepted purchase orders and non-cancellable materials the Manufacturer reasonably committed to fill open orders. The Manufacturer will return the Customer's tooling, materials, and Confidential Information.

**8.5 Survival.** Sections 3 (for accrued amounts), 5, 6, 7, and any others that by their nature should survive, survive termination.

**9. General Provisions**

**9.1 Independent contractors.** The Parties are independent contractors. Nothing creates a partnership, joint venture, agency, or employment relationship.

**9.2 Governing law and venue.** This Agreement is governed by the laws of the State of **[STATE]**, without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in **[COUNTY, STATE]**.

**9.3 Force majeure.** Neither Party is liable for delay or failure caused by events beyond its reasonable control, provided it gives prompt notice and uses reasonable efforts to mitigate.

**9.4 Assignment.** Neither Party may assign this Agreement without the other's prior written consent, except to a successor in connection with a merger or sale of substantially all assets, on written notice.

**9.5 Entire agreement; amendment.** This Agreement, with its schedules and change orders, is the entire agreement between the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

**9.6 Severability and waiver.** If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

**9.7 Counterparts and electronic signature.** This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

**IN WITNESS WHEREOF,** the Parties have executed this Agreement as of the Effective Date.

CUSTOMER	MANUFACTURER
Signature: _____	Signature: _____
Printed name: <b>[NAME]</b>	Printed name: <b>[NAME]</b>
Title: <b>[TITLE]</b>	Title: <b>[TITLE]</b>
Date: _____	Date: _____
_____	_____

*Template provided by CyberSygn. Not legal advice. CyberSygn is not a law firm. Consult a licensed attorney in your jurisdiction before relying on this document.*