**Outsourcing Agreement**

This document is an Outsourcing Agreement (the “Agreement”) and is effective [DATE],

**BETWEEN: [MANUFACTURER NAME]** (the " Manufacturer"), a company organised and existing under the laws of the [Country] of [COUNTRY], with its head office located at:

 [YOUR COMPLETE ADDRESS]

**AND: [BUYER NAME]** (the "Buyer"), a company organised and existing under the laws of the [Country] of [COUNTRY], with its head office located at:

 [COMPLETE ADDRESS]

1. **PURPOSE OF AGREEMENT**

Formalise the agreements made regarding services and products between Buyer and MANUFACTURER

1. **SERVICES**

The manufacturer will produce products for Buyer on a Turnkey basis. Initially, services will cover [NUMBER] products, as per the attached price sheets. However, this may be extended.

Specific services will be:

* Receipt and Management of master materials
* Supply base management
* Production (both components & finished goods)
* Delivery
* Inventory Management
* Financial Services
* Quality and Services Level Agreements will be based on mutual agreement.

1. **DELIVERY**

The manufacturer shall deliver the Services in line with the agreed service levels to Buyer.

1. **ACCEPTANCE OF SERVICES**

Buyer may reject the Services if they do not comply with the specification set out by Buyer. The Services are deemed to be accepted if Manufacturer does not receive a notification within [NUMBER] days after delivery to Buyer or its customers.

1. **PAYMENT AND PRICING**

Buyer will compensate Manufacturer for all Services rendered in accordance with the rates specified in the Schedule [SPECIFY]. Unless otherwise agreed, prices shall exclude transport, insurance, sales taxes and Import duties (outside [SPECIFY] countries) to Buyer' designated delivery address.

For all materials in stock, older than [NUMBER] days, Manufacturer will charge Buyer with an Inventory Carriage Charge of [PERCENTAGE %] of its value per month.

The manufacturer will invoice Buyer based on actual shipments that have been performed.

Payments will be due in [COUNTRY] [CURRENCY] within [NUMBER] days after delivery, or when agreed after delivery of instalments or the receipt of invoice by Buyer, whichever is later. The manufacturer shall invoice Buyer indicating the performed services in [COUNTRY] [CURRENCY] with reference to this Agreement.

Buyer shall be entitled to deduct from or set off against any sums which Buyer may be liable to pay to Manufacturer any amounts owed by Manufacturer, its affiliated entities, subsidiaries or successors in interest.

1. **WARRANTY**

Manufacturer warrants providing the Services with due diligence and care in accordance with the specifications set by Buyer. Should Manufacturer not supply the Services as agreed or should the Services become defective within [NUMBER] months from their delivery to Buyer, Buyer may at its option require Manufacturer to complete or re-perform the Services within a reasonable period of time, rescind the contract or refuse payment of the compensation in part or in total, notwithstanding any damage claims.

1. **INDEMNITY**

The manufacturer shall reimburse Buyer and hold Buyer harmless from any liabilities or obligations imposed upon Buyer resulting directly or indirectly from Manufacturer's or its employees or agents’ activities under this Agreement.

1. **LIABILITY**

Either party shall be liable for failure or delay in performance of its duties under this Agreement except for reasons beyond such party's reasonable control. The manufacturer shall not be liable for indirect or consequential damages unless caused by intention or gross negligence.

1. **CONFIDENTIALITY**

Both parties shall take reasonable precautions to preserve in strict confidence any confidential or proprietary information obtained by them, their agents or employees concerning the business, products, equipment or services of the other party, including without limitation, trade secrets. Such reasonable precautions shall include exercising precautionary measures designed to preserve the secrecy of such information and to prevent its disclosure to third parties, except following prior consent of the other party, with such precautions being at least equivalent to those taken by each party with respect to its own confidential information.

1. **PATENTS AND COPYRIGHT**

Manufacturer warrants that the Services supplied to Buyer will not infringe any third parties' intellectual property rights. The manufacturer will defend and indemnify Buyer against a claim that the Services supplied hereunder infringe a patent or copyright and will pay resulting costs and damages provided that Buyer (i) promptly informs Manufacturer in writing of the claim and (ii) gives Manufacturer sole control of the defence and all related settlement negotiations. The manufacturer will either procure the right for Buyer to continue using the Services or replace or modify them so that they become non-infringing or accept the return of the Services for a credit equal to the price paid by Buyer.

1. **COPYRIGHT AND COPYRIGHT LICENSE**

Buyer hereby grants Manufacturer the rights to copy in printed or electronic form the master materials according to the forecasted numbers given to Manufacturer by Buyer.

1. **TERM AND TERMINATION**

This Agreement shall be valid for an indefinite period.

Both parties may terminate the Agreement with immediate effect

* of either party breaches a material term of the Agreement
* in case of a merger or change of key management or control
* in case of bankruptcy or similar.

Buyer may terminate this agreement without cause by giving [NUMBER] days written notice to MANUFACTURER.

1. **GOVERNING LAW**

Any lawsuit relating to any matter arising under this Agreement may be initiated in a State/Provincial or National Court located in [COUNTRY] or in any court in the [COUNTRY] having jurisdiction over the matter.

1. **INSURANCE**

The manufacturer shall at its own expense obtain and maintain with an insurer adequate insurance coverage *in re*spect of any Buyer property under the care, custody or control of Manufacturer. The manufacturer shall immediately notify Buyer in writing of any theft, loss or damage to any Buyer property and shall indemnify Buyer *in re*spect of the same.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

MANUFACTURER BUYER

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title