Development and manufacturing agreement: customer version

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| This | agreement is dated [date] ■ | : |
|---------|-------------------------------|--|
| | oer] whose registered ■ ■ ■ | d in New Zealand, Company Number/NZBN |
| and | | |
| | oer] whose registered | d in New Zealand, Company Number/NZBN |
| Back | ground: | |
| A. | • | anufacturer and merchant of high performance curer is |
| B. | | r have agreed that production of the Product shall facturer on |
| It is n | ow agreed as follows: | |
| 1. | Definitions | |
| | In this agreement, the follow | ving words shall have the following meanings, ■ ■ ■ ■ : |
| | "Confidential Information" | means all information about a party, including any information which may give a commercially competitive advantage to |
| | | information about employees, their performance and |
| | | data or information relating to suppliers, product plans, marketing strategies, finance, performance, operations, customer • • • • ; |
| | | information about the Intellectual Property, the |
| | | Know-how and all |

-----;

| information created or arising from this agreement; |
|---|
| information owned by a third party and in respect of which a party |
| |
| information, comment or implication published on |
| data or information relating to pre-clinical and clinical trial results, processes, formulae, procedures, designs, drawings, apparatus, ■ ■ ■ |
| |
| It does not include information that is reasonably necessary to disclose to a customer or other person in the usual course of |
| |
| (including all derived terms), means, with respect to the relationship between two or more corporate bodies, the possession, directly or indirectly, of the power to direct the affairs or management of a corporate body, whether through the ownership o voting securities, as trustee or executor, by contract or otherwise, including, without limitation |
| means latest version of pre-defined commercial rules of international trade published by $\blacksquare \blacksquare \blacksquare$ |
| means intellectual property of every sort, whether or not registered or registrable in any country, including |
| |
| It also includes: patents, trade marks, unregistered marks, designs, copyrights, software, domain names, discoveries, Know-how, creations and inventions, moral rights, together with all rights |

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"Control"

"Incoterm"

"Intellectual Property"

| | concepts, ideas, designs, inventions, improvements, discoveries, data, processes, methods, techniques, Know-how, and information, |
|--------------------------|---|
| | |
| "Know-how" | means scientific or technical information, and other procedures and ways of working and organising |
| | |
| "Licensed Material" | means Intellectual Property and machines, prototypes, models, finished goods, and all other tangible and intangible things which are now or may in future be, |
| | |
| "Product" | means [describe the product briefly] or any other |
| "Services" | means end user service specification as \blacksquare \blacksquare \blacksquare \blacksquare |
| "Detailed Specification" | means the agreed specification of work to manufacture the Product |
| "Standards" | means the standards, protocols and regulatory requirements as •••••••••••••••••••••••••••••••••• |
| | |

2. Interpretation

| in this agreement unless the context | | | |
|--------------------------------------|--|--|--|
|--------------------------------------|--|--|--|

| | and any organisation |
|------|---|
| 2.1. | A reference to a person includes a human individual, a corporate entity |

| 2.3. | A reference to a person includes reference to that person's successors, legal representatives, permitted assigns and any person to whom rights and obligations are transferred or pass as a *** *** |
|-------|--|
| | |
| 2.4. | A reference to a paragraph or schedule is to a paragraph or schedule to this agreement unless the context |
| 2.5. | The headings to the paragraphs and schedules to this agreement are |
| - | inserted for convenience |
| 2.6. | Any agreement by a party not to do or omit to do something includes an obligation not to allow some |
| | |
| 2.7. | A reference to the knowledge, information, belief or awareness of any person shall be deemed to include the knowledge, information, ■ ■ ■ |
| | |
| 2.8. | The words "without limitation" shall be deemed to follow any use of the words " \blacksquare |
| 2.9. | All money sums mentioned in this agreement are calculated net of GST, which |
| 2.10. | All dollar amounts referred to in this agreement All dollar amounts All dollar amounts referred to in this agreement All dollar amounts All |
| 2.11. | This agreement is made only in the English language. If there is any conflict in meaning between the English language version of this agreement and any version or |
| Enti | re agreement |
| | |

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This agreement contains the entire agreement between the parties and supersedes all

3.

3.1.

| 3.2. | Conditions, warranties or other terms implied by statute or common law in any country are excluded from |
|------|---|
| 3.3. | Each party acknowledges that, in entering into this agreement, it does not rely on any representation, warranty, information |
| 3.4. | As an exception to the last previous sub paragraph, the parties do rely |
| | [Enter list of other docs and dates • • • • • • • • • • •]. |
| Cli | ent's warranties |
| The | Client warrants that: |
| 4.1. | it is either the owner of the entire right, title and interest in and to the Licensed Material or it has been granted a licence to those rights and that any such |
| | ••••; |
| 4.2. | use of the Licensed Material by the Manufacturer does not infringe ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ; |
| 4.3. | it has power to enter into this agreement [and has obtained • • • • • • • • • • • • • • • • • • • |
| 4.4. | it is not insolvent and knows of no circumstance which would entitle any creditor to appoint a receiver or to petition for winding ■ ■ ■ ■ ■ |
| | |
| 4.5. | it has taken out a policy of insurance against product liability in a ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ |
| Ма | nufacturer's warranties |
| The | Manufacturer warrants that: |
| | |

5.

5.1. it is a registered with [professional organisation, if any] and is certified to [ISO 9001] and agrees that loss of certification for a period of [28] days

| 5.2. | it is not aware of anything within its reasonable control which might or will adversely affect |
|-------|---|
| | |
| 5.3. | it has the necessary experience, all necessary licenses and permits, equipment, facilities and personnel to |
| | |
| 5.4. | it is not a party to any other agreement that would in any way conflict with, |
| 5.5. | it has taken out a policy of insurance against product liability in a ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ |
| Sco | pe of work |
| The M | lanufacturer shall: |
| 6.1. | complete the design of the Product. |
| 6.2. | complete the testing procedures and qualify the \blacksquare |
| 6.3. | [obtain whatever regulatory and other governmental approvals and/or registrations are required for compliance •••••••••••••••••••••••••••••••••••• |
| 6.4. | complete the quality assurance procedure according \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare |
| 6.5. | on receipt of each purchase order in the style of ••••••••••••••••••••••••••••••••••• |
| | |
| 6.6. | use every effort to meet the |
| 6.7. | provide the •••••••••••••••••••••••••••••••••••• |

| | 7. | Representative | liaison | and | design | reviews |
|--|----|----------------|---------|-----|--------|---------|
|--|----|----------------|---------|-----|--------|---------|

| 7.1. | With effect from today each of the parties will nominate a representative who will be |
|------|---|
| 7.2. | [Periodically / once each month], the [Client / Manufacturer] shall call |
| 7.3. | The representative of a party at a design review meeting shall be a person with |
| 7.4. | Either party may change the authorised |
| 7.5. | The Manufacturer will provide a competent manager, |
| 7.6. | So far as the Client suggests changes |
| 7.7. | After each change to any part of the design or •••, ••••••••••••••••••••••••••••••• |
| Pro | duct design testing |
| 8.1. | The Manufacturer shall test the |
| 8.2. | So far as any Standard requires third • • • • • • • • • • • • • • • • • • • |

| | 8.3. | The Client shall be responsible for obtaining whatever regulatory and |
|----|------|--|
| | 8.4. | The Manufacturer shall assist the Client |
| | 8.5. | If at any stage of design or production, a set |
| | 8.6. | After receiving such notice, the Manufacturer will within [30] • • • • • • • • • • • • • • • • • • |
| | 8.7. | All cost relating in any way to obtaining Standard verification and certification |
| | 8.8. | Test data and results shall |
| | 8.9. | Test data, reports and correspondence |
| 9. | Setu | ıp costs |
| | 9.1. | The costs of tools and equipment required • • • • • • • • • • • • • • • • • • • |
| | 9.2. | The Client has approved the list and |
| | 9.3. | The Client shall buy, |
| | 0.0 | |

| | 9.4. | The Manufacturer shall I I I I I I I I I I I I I I I I I I | ••••• | |
|-----|---|---|-------------------|--|
| 10. | Production specification and materials coverage | | | |
| | 10.1. | The materials specification as finally recorded = = = = | •••••• | |
| | 10.2. | [Scrap / trimmings / • • • • / • • • •] • • • • • • • • • | | |
| | 10.3. | The Manufacturer shall from time to time obtain arm's prices for [scrap / trimmings / • • • • / • • • •] • • • • • • • • • | • | |
| 11. | Pay | ment for Product development | | |
| | The C | Client shall pay the Manufacturer as follows: | | |
| | 11.1. | at acceptance by | ■ \$ [00 , 000] | |
| | 11.2. | at acceptance by | \$[00,000] | |
| | 11.3. | after receiving certificate ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ . | \$ [00 , 000] | |
| 12. | Des | ign price and payment | | |
| | 12.1. | Wherever a payment obligation is specified in | | |
| | 12.2. | After acceptance by the Client of the | , | |
| | OR | | | |
| | 12.3. | For development and testing, the Client shall pay the | Manufacturer ■ ■ | |

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| | | 1 , |
|-------|----------|--|
| 12.4. | | work before the commencement of commercial production, the |
| | | [1.9] |
| 12.5. | In calcu | ulating the cost of materials: |
| | 12.5.1 | cost shall include all |
| | 12.5.2 | cost shall be • • • • • • • • • • • • • • • • • • |
| | 12.5.3 | materials shall include bought-in raw materials plus whatever spare •••, •••, •••• |
| | | |
| | | |
| 12.6. | In calcu | ulating the cost of labour: |
| | 12.6.1 | all production cost shall be included; |
| | 12.6.2 | the design team •••••••••••••••••••••••••••••••••••• |
| | 12.6.3 | a fixed sum of \$ [] |
| | | |
| Prod | ductio | n price |
| 13.1. | | he Client has accepted the completion of the design and orders duct in a |
| | •••• | |
| | | |
| 13.2. | The pri | ce payable by • • • • • • • • • • • • • • • • • • |
| | For th | e first [1000] ■ ■ ■ ■ \$ [■ ■ ■] |
| | For th | e next [5000] ■ ■ ■ ■ \$ [■ ■ ■] |

For each additional unit \$[number] 13.3. The price shall be increased on the first \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare (\blacksquare \blacksquare \blacksquare)]. 13.4. If the Client requires delivery to someplace other than [\blacksquare \blacksquare \blacksquare]. \blacksquare \blacksquare **= =** 1 14. Payment terms 14.1. All the payments under this agreement shall be made **\| \| \| \| \| \| \| \| \| \|** ...:[......,...............]..... 14.2. A payment by the Client does not imply **A PARTICLE A Payment** by the Client does not imply **A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICLE A PARTICL** ------15. Packaging and delivery 15.1. Each Product shall be marked 15.2. Immediately after testing each Product will be labelled on the [■■■■ 8 . OR 15.5. If the Manufacturer is not able to deliver the Product within [30] ■ ■ ■

| | 15.6. | All Products must be signed for on delivery by an adult aged 18 years or over. If no one of that age is at the address when the |
|-----|--------|---|
| | | |
| | 15.7. | Signing "Unchecked", " = = = = = " = = = = = = = = = = = = |
| | 15.8. | [Products are sent by courier. the Manufacturer • • • • • • • • • • • • • • • • • • |
| | 15.9. | If the parties agree to deliver on a particular day or at a particular time, the Manufacturer will do |
| | | |
| | 15.10 | Time for delivery specified on the order, |
| | OR | |
| | 15.11 | . Delivery time |
| 16. | Tran | sportation |
| | [There | e are many ways and alternative deals possible. |
| |]. | |
| | 16.1. | The following Incoterms • • • • • • • • • • • • • • • • • • • |
| | | 16.1.1 EXW [named = = = , = = = = = = =] = = = ® 2020 . |

| | 16.1.2 | FCA [named = = = , = = = = = =] = = = ® 2020 |
|-------|-----------|---|
| | 16.1.3 | CPT [named • • • • , • • • • • • • • • •] • • • • |
| | 16.1.4 | CIP [named • • • • , • • • • • • • •] • • • • ® 2020 |
| | 16.1.5 | DPU [named • • • • , • • • • • • • •] • • • • ® 2020 |
| | 16.1.6 | DAP [named • • • • , • • • • • • • • • •] • • • • |
| | 16.1.7 | DDP [named = = = , = = = = = =] = = = ® 2020 |
| | 16.1.8 | FAS [named • • • • , • • • • • • • • •] • • • • ® 2020 |
| | 16.1.9 | FOB [named = = = , = = = = = =] = = = ® 2020 |
| | 16.1.10 | CFR [named = = = , = = = = = = =] = = = ® 2020 |
| | 16.1.11 | CIF [named = = = , = = = = = = =] = = = ® 2020 |
| 16.2. | All right | ts, obligations, •••••••••••••••••••••••••••••••••••• |
| 16.3. | | otherwise agreed in this agreement so far |
| | | |

17. Taxes

17.1. This paragraph relates to all sales, transfer and other taxes or import duty ("Tax") imposed on the

| 17.2. | Insofar as any Tax is recoverable or can •••••, ••••• |
|-------|---|
| 17.3. | Tax shall be stated separately on the Manufacturer's invoices, collected |
| 17.4. | The Manufacturer will indemnify the Client against the |
| 17.5. | Wherever any sum is chargeable by the Manufacturer to the Client for services based on |
| 17.6. | In any case where the Client is prohibited by law from making a payment to the Manufacturer without first withholding tax from that |
| Visit | tors |
| 18.1. | The Manufacturer agrees to host visits by customers of the Client or other people whom |
| 18.2. | There shall be no more than [one] visit |
| 18.3. | The Client undertakes to inform every visitor of |

| | 18.4. | The Client must make |
|-----|-------|---|
| 19. | On s | site audits |
| | 19.1. | On notice of at least [seven] days, the Client's representative, its partners, financial supporters and its customers may attend at the |
| | | |
| | 19.2. | On notice of at least [seven] days, the Client and/or any professional advisor may attend at any |
| | | |
| | OR | |
| | 19.3. | The parties agree that within [number] days after the end of each period of [six] month, based on the financial year of the [|
| | AND | |
| | 19.4. | The auditor shall be instructed not to disclose to |
| | 19.5. | The provisions of this paragraph apply equally to any sub- |

| | 19.6. | any discrepancy is found in ARRENE BROWN , ARRENE BROWN . |
|-----|-------|--|
| 20. | Defe | ective Product returned |
| | | e provisions apply in the |
| | 20.1. | The Manufacturer will repair |
| | | 20.1.1 the defect is reported to **** ***** ***** ***** ***** ***** ***** ***** ***** |
| | | 20.1.2 the Product is returned |
| | | 20.1.3 the defect results only from faulty manufacture; |
| | 20.2. | The Manufacturer will refund the |
| | 20.3. | If the Manufacturer repairs or replaces a Product, the Client , |
| 21. | Man | ufacturer's manufacturing warranty |
| | 21.1. | The Manufacturer warrants that for period of [24] months from date of |
| | | |
| | 21.2. | Non-warranty service pricing shall be negotiated |
| | 21.3. | If either party shall become aware of • • • • • • • • • • • • • • • • • • |
| | | |

22. Manufacturer's Service provision

23.

| 22.1. | The Services are listed in Schedule 2. Before submitting the first order to the Manufacturer 100 100 100 100 100 100 100 1 |
|-------|---|
| 22.2. | From the date of the first delivery of the Products to the Client, [24] |
| 22.3. | The price payable by \blacksquare |
| OR | |
| 22.4. | The price payable by •••••[••••••••]. |
| 22.5. | If the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the cost to the service provision level set out in Schedule 2 is changed so that the service provision level set out in Schedule 2 is changed so that the service provision level set out in Schedule 2 is changed so the service provision level set out in Schedule 2 is changed so the service provision level set out in Schedule 2 is changed so the service |
| Use | of sub-contractors |
| The M | lanufacturer shall not sub- • • • • • • • • • • • • • • • • • • • |
| OR | |
| The M | lanufacturer may perform any or |
| 23.1. | the Manufacturer first obtains the written consent of the Client to |

OR

| 23.2. | The Manufacturer must first obtain the written consent |
|-------|---|
| | |
| 23.3. | The Manufacturer • • • • • • • • • • • • • • • • • • |
| 23.4. | The Manufacturer indemnifies the Client fully against any |
| | |
| 23.5. | So far as work under this •••••••••••••••••••••••••••••••••••• |

24. Confidential Information

| 24.1. | | | | | ■ ■ , ■ | | | |
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| | 24.1.4 | | | •• | | | - | | | - | • | | - | | • | • • | = 1 | | |
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| | 24.1.5 | | | | | | | | | | | | _ | | | | _ | | |
| | 24.1.3 | | | :: | | | | | | | | | | | | | | | • |
| 24.2. | This pa | ragra | ph d | oes r | not a | pply | to o | disc | losu | ıre: | | | | | | | | | |
| | 24.2.1 | | • | | | | | •• | | • | • • | • • | • | •• | • • | • • | | | • • |
| | 24.2.2 | | • | | | | | | | | | | | | | | | | • |
| | 24.2.3 | | | ••• | | | • • • ; • | •• | | | • | | | | • | • | = ! | | • • |
| | 24.2.4 | | • • • | | | | | •• | | • | • • | • • | • | | • • | • • | = 1 | | • • |
| | 24.2.5 | | | | | | | | | - | • • | | - | | • | • • | • | | • • |
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| 24.2 | | | • • • | | | | | | | | | | _ | | | | | | |
| 24.3. | | | | | | | | | | | | | | | | | | | |
| 24.4. | •••• | | | | | | | | | | | | | | | | | | |
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| 24.5. | | | | | | | | | | _ | | | _ | | | | | | |
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| | 25.1. | | | | | | | | | | | | | | | | | | - | |
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| | 25.2. | | | | - | | | | | | • | | - | | - | • | • | | | |
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| | 25.3. | | | | | | | | | | | | | | | | | | | |
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| | 25.4. | | | | | | | | | | | | | | | | | | | |
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25. "Work made for hire"



27. New IP

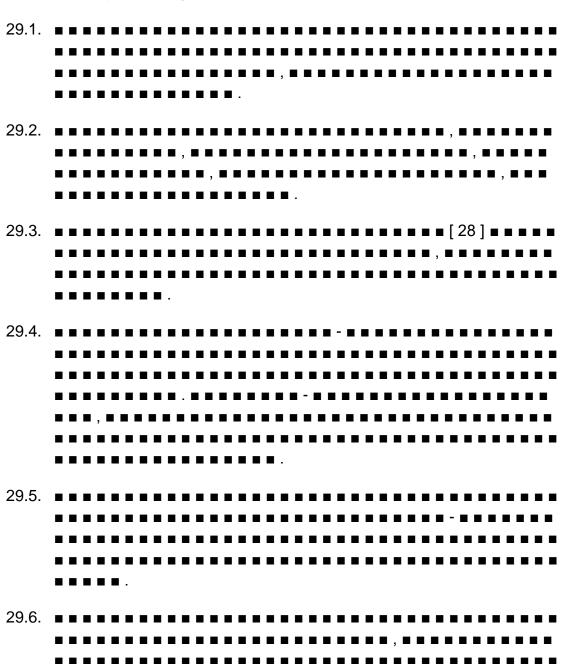
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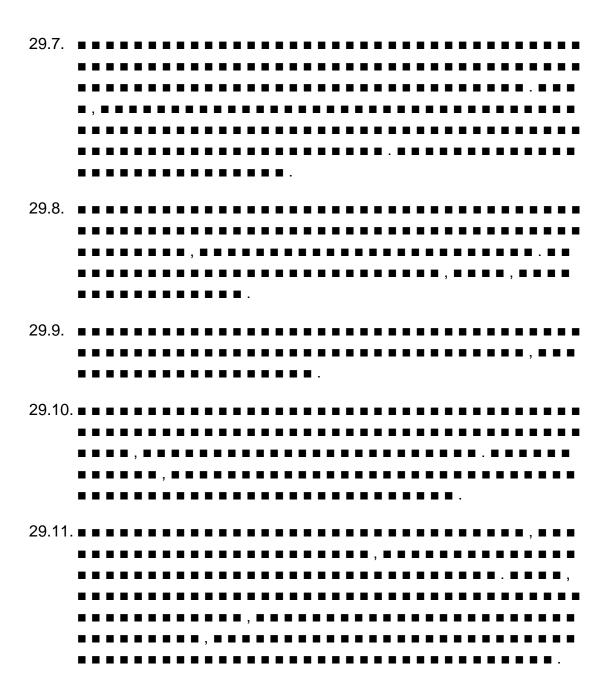
28. Protection of Intellectual Property

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29. Third party infringement

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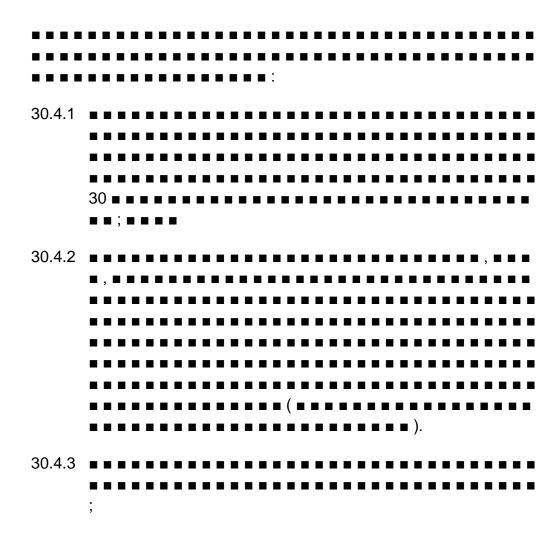
30. Duration and termination

This agreement may be terminated:

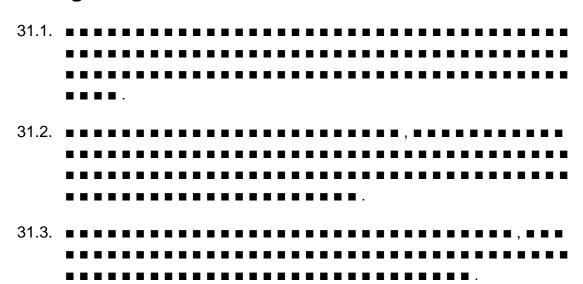
30.1. by mutual agreement on an agreed date.

30.3.

30.4.



31. Change of Control

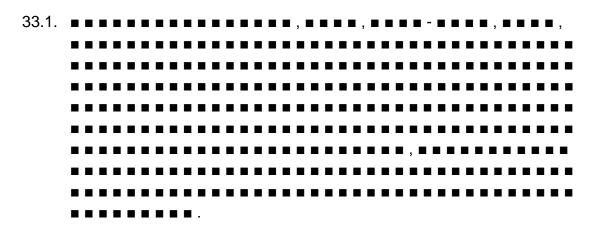


31.4. The Manufacturer agrees that this provision is fair.

| 32. | Publicity A | Announcements |
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| 32.1. | | •••• | | | | | | • • • | | • | | • | • |
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| | 32.2.2 | disclos | se any | inform | nation | ; or | | | | | | | |
| | 32.2.3 | | | | | | | | | | • | | |
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33. Assignment

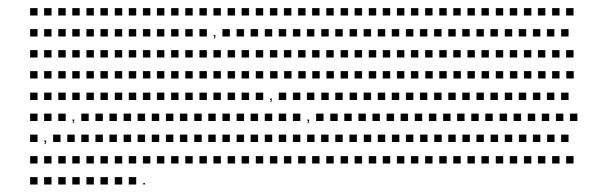


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35. Damages not adequate



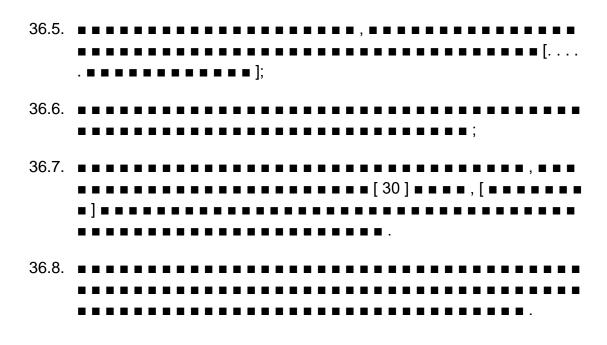
36. Uncontrollable events

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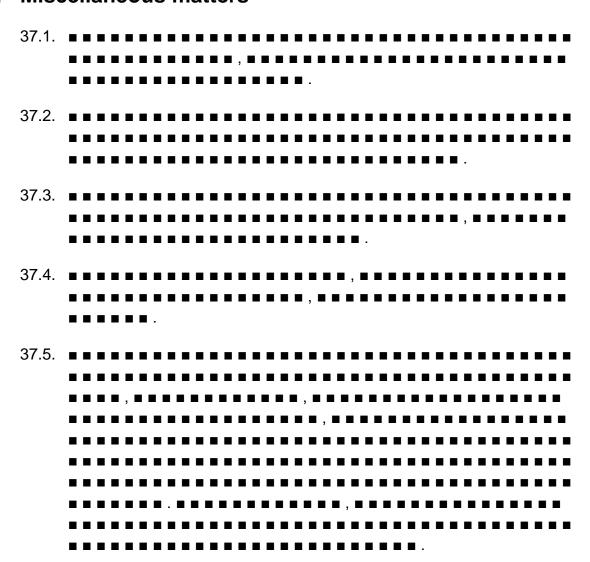
AND/OR

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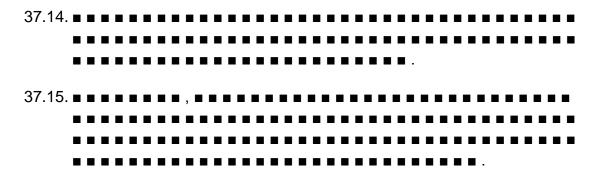
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37. Miscellaneous matters



| 37.6. | | | | | | | | | - | | | | - | | • | | - | | | |
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Signed by / on behalf of the named Parties by their representatives who personally accept liability for the proper authorisation by their respective employer or principal to enter into this agreement

For, and on behalf of [ABC Limited]

print name

For, and on behalf of [DEF Limited]

print name

Schedule 1: Detailed specification and phases

Schedule 2: Services: end user service specification

Schedule 3: Standards

Schedule 4: Example purchase order

Schedule 5: List of setup tools and equipment

Schedule 6: Packaging and labelling

Schedule 7: Press release

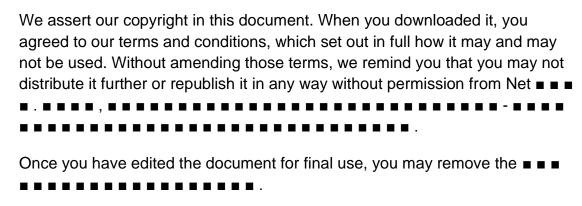
Schedule 8: Delivery locations

Explanatory notes:

Development and manufacturing agreement: customer version

General notes

1. Recognition of our copyright in this document



2. Document review service

If you would like our legal team to check your edited version, we

Please contact our support team at support@netlawman.co.nz for further information.

Paragraph specific notes:

Notes numbering refers to paragraph numbers.

1. Definitions

If your counter-party is in New Zealand, you may decide to remove or abbreviate the lists in "Intellectual Property". We have included them, first to

| | make sure your counter-party is under no illusions about IP, and second because some |
|----|--|
| | |
| | There is no copyright in know-how. |
| | The definition relating to the subject matter of the agreement requires particular care on your part. We have used the term "Product". This is a generic term. The document would read |
| | |
| | We have not included a specific, extensive licence by the customer (you?) to the manufacturer, but as a matter of law, you will license your IP |
| | By all means use the find/replace function in your word processor to change them. If you do change a defined term, make sure it |
| | Remember too, that when a word or phrase is defined, the defined meaning capitalised, takes precedence over the I I I I I I I I I I I I I I I I I I |
| 2. | Interpretation |
| | Leave these items in place unless there is a good reason to edit or remove. Each of these items has been carefully considered in the context of this agreement and has been included for a purpose. |
| 3. | Entire agreement |
| | This paragraph prevents a party from later saying he was relying on some other document or web site or what was said. If other documents are to be relied on, let them be listed |
| | *********** |
| 4. | Client's warranties |
| | You may delete this whole paragraph provided your counter party may not ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ |
| 5. | Manufacturer's warranties |
| | This paragraph covers a certification and qualifications and a number of points which may be very important to you, the customer. It is not enough to see them in the agreement. You should also check |

6. Scope of work

7. Representative liaison and design reviews

The provision for representative liaison should be re-written to reflect the precise arrangements proposed. Regular review meetings

By all means edit as you require.

8. Product design testing

Treat this paragraph as a menu. There are options on who is responsible for what and who pays for **BBB BBB BBB**

9. Setup costs

10. Production specification and materials coverage

Replace our words by those better suited to your industry and the arrangements **E E E E E E E E E E E E E**.

11. Payment for Product development

12. Design price and payment

13. Production price

14. Payment terms

| 15. | Packaging and delivery |
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| | Delivery of the product will be made once the product design is finalised and has gone through the quality assurance procedure. When it is ready for dispatch, |
| | |
| 16. | Transportation |

We have left the mode of transport open. We strongly advise that you use an Incoterm because delivery, risks and costs are considered critical points in a sale contract cross the border. Parties to a contract are often unaware that there are different trading practices in their respective countries, for example FOB for an American company

https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-2020/

Incoterms are not legally binding, unless they are incorporated into an agreement by express reference to the specific Incoterm. We have worded Incoterms in this paragraph prescribed by the International

EXW - Ex Works

The seller makes the goods available at a named place of delivery. This can either be the seller's premises or any other place. This term places the maximum obligation on the buyer and minimum obligations on the seller. EXW is often used when making an initial quotation for the sale of goods without any costs included. The buyer pays all transportation costs and also bears the risks for bringing the goods to their final

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| FCA – Free Carrier |
| The seller hands over the goods, cleared for export, into the disposal of the first carrier (named by the buyer) at the named place. The carrier can be anyone i.e. buyer, seller or third party. The passing of risk depends on the where the goods are delivered. If the goods are delivered at seller's •••• ••••••••••••••••••••••••••••••• |
| |
| CPT - Carriage Paid To |
| The seller pays for the carriage and delivers the goods to the buyer by handing them |
| CIP – Carriage and Insurance Paid to |
| The seller pays for carriage and insurance to the named destination point, ■ |
| |
| DAP – Delivered at Place |
| The seller pays for carriage to the named place, except for costs related to import clearance, |
| ■■. |
| DPU – Delivered at Place Unloaded |
| The seller pays for carriage, except for costs related to import clearance, and |

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assumes all risks

| ••• |
|--|
| DDP – Delivered Duty Paid |
| The seller is responsible for delivering the goods to the named place. The seller must pay all costs in bringing the goods |
| |
| Rules for Sea and Inland Waterway Transport |
| The four rules defined by Incoterms 2020 for international |
| FAS – Free Alongside Ship |
| The seller is responsible for delivering goods to the buyer by placing the goods alongside the ship at the named port. |
| |
| FOB – Free on Board |
| The seller is responsible for loading the goods on board the vessel nominated by the buyer The seller must |
| |
| CFR – Cost and Freight |
| The seller must deliver the goods to the buyer and pay the costs and freight to bring the goods to the port of destination . ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ |
| |
| CIF – Cost, Insurance and Freight |
| CIF is exactly the same as CFR except that the seller must pay for the insurance cover against |
| |
| Taxes |
| A basis of taxation can change at the whim of a government. Because you can never know exactly what tax may be charged nor how it will be collected, you should use this |

17.

| 18. | Visitors |
|-----|---|
| | A framework of practical business provisions. Customers or suppliers will be allowed for a visit during the production and manufacturing process. ■ ■ ■ ■ |
| | |
| 19. | On site audits |
| | See last note. The same applies. |
| | Edit as you require. We have provided alternatives of |
| 20. | Defective Product returned |
| | We have provided a sound arrangement but this is a commercial provision, |
| 21. | Manufacturer's manufacturing warranty |
| | A framework of practical business provisions. The last sub-paragraph refers to product liability. It is very difficult to plan in advance for a |
| | |
| 22. | Manufacturer's Service provision |
| | We have provided for manufacturer to service the product which is the subject matter of this deal. Details of the service provision, if |
| | |
| 23. | Use of sub-contractors |
| | A framework of practical business provisions. Edit as you require. This |
| 24. | Confidential Information |

| We have given you a very full provision suitable for manufacturing a technical product requiring |
|--|
| |
| "Work made for hire" |
| There is a fundamental principle of law that I own whatever original work I create. This |
| |
| |
| |
| This concept is inconvenient for you when you pay someone specifically to write code, draft maps or produce products. Different countries have taken |
| different approaches to the subject. " = = = = = = = = = = = = = = = = = = |
| |
| |
| |
| |
| |
| An important point of contract law also appears in this paragraph. |
| |
| |
| We suggest leave it as is. |
| Existing Intellectual Property |
| Depending on the value and extent of the |
| |
| Now ID |
| New IP This is another area on which much litigation is based. At the start, both = = = |
| This is another area on which much litigation is based. At the start, both |
| |

25.

26.

27.

47

| 28. | Protection of Intellectual Property |
|-----|---|
| | If you fail to protect your IP, someone will steal it. They may just steal it at the edges, or they may |
| | |
| | |
| | |
| 29. | Third party infringement |
| | Who sues? You need to be *********************************** |
| | |
| 30. | Duration and termination |
| | It really does not matter how you want to end |
| | |
| | Leave the insolvency provisions. As soon as there is any involvement • • • • |
| | |
| | |
| 31. | Change of Control |
| | This draconian provision helps you to avoid the transfer of |
| | |
| 32. | Publicity / Announcements |
| | We advise that publicity • • • • • • • • • • • • • • • • • • • |
| 33. | Assignment |

| | Give careful thought to this. Consider the circumstances on both sides which may |
|-----|--|
| | |
| 34. | Indemnity by the Manufacturer |
| | A useful = = = = = = = = = = = . = = = = = = = |
| 35. | Damages not adequate |
| | In a contract dispute, the Court will usually look for a • • • • • • • • • • • • • • • • • • |
| 36. | Uncontrollable events |
| | Often referred to as "force majeure". We advise that you |
| 37. | Miscellaneous matters |
| | A number of special points. We have identified each of these as important to |
| | These are just |
| | |
| | Dispute resolution |
| | There are many ways to settle a dispute. But an action in court is the least desirable because it takes a long |
| | |

| Schedule 1 Detailed specification and phases |
|---|
| The schedules may be "typed in" or be contained in some document , |
| |
| Schedule 2 Services: end user service specification |
| We have no comment. |
| Schedule 3 Standards |
| These could be international engineering standards, or specification of cloth to be used, |
| Schedule 4 Example purchase order |
| This schedule is worth including in , , , , , , , , , , , , , |
| Schedule 5 List of setup tools and equipment |
| This should • • • • • • • • • • • • • • • • • • • |
| Schedule 6 Packaging and labelling |
| Specify fully. |

Schedule 7 Press release

We have no comment.

Schedule 8 List of delivery locations

Specify fully.

End of notes