Development and manufacturing agreement: customer version

Contents

- 1. Definitions
- 2. Interpretation
- 3. Entire agreement
- Client's warranties
- 5. Manufacturer's warranties
- 6. Scope of work
- 7. Representative liaison and design reviews
- 8. Product design testing
- 9. Setup costs
- 10. Production specification and materials coverage
- 11. Payment for Product development
- 12. Design price and payment
- 13. Production price
- 14. Payment terms
- 15. Packaging and delivery
- 16. Transportation
- 17. Taxes
- 18. Visitors
- 19. On-site audits
- 20. Defective Product returned
- 21. Manufacturer's manufacturing warranty
- 22. Manufacturer's Service provision
- 23. Use of sub-contractors
- 24. Confidential Information
- 25. "Work made for hire"
- 26. Existing Intellectual Property
- 27. New IP
- 28. Protection of Licensed Material
- 29. Third party infringement
- 30. Duration and termination
- 31. Change of Control
- 32. Publicity / Announcements
- 33. Assignment
- 34. Indemnity by Manufacturer
- 35. Damages not adequate
- 36. Uncontrollable events
- 37. Miscellaneous matters
 - 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 List of delivery locations

:		
incorporated in England and Wales [under nber] and] "";		
ncorporated in England and Wales [under nber] and] • • • • • • • • • • • [").		
The Client is a designer, manufacturer and merchant of high performance cycle wheels. The Manufacturer is ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■		
The Client and Manufacturer have agreed that production of the Product shall be undertaken by the Manufacturer on		
It is now agreed as follows:		
ving words shall have the following meanings, ■ ■ ■ ■ :		
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 of 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.

"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
<i>((1)</i>	
"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 ■ ■ ■ ■ ■
"Detailed Specification"	means the agreed specification of work to manufacture the Product 1.
"Standards"	means the standards, protocols and regulatory requirements as ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ 3
	•

2. Interpretation

- 2.2. In connection with any benefit given by this agreement, a reference to a party includes **EXECUTE EXECUTE EX**

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 " • • • • " • • • • " • • • • • .
2.9.	All money sums mentioned in this agreement are calculated net of VAT, which
2.10.	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
3.1.	This agreement contains the entire agreement between the parties and supersedes all
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
Clie	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 ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Mar	nufacturer's warranties
The I	Manufacturer warrants that:
5.1.	it is a registered with [professional organisation, if any] and is certified to [ISO 9001] and EN [12345] and agrees that loss of certification for a period of [28]

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 \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \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 the example in Schedule 4, immediately allocate resources and manufacture ■ ■ ■ ■
	•••.
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
7.0	
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 •••, ••••••
Prod	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 , , , , , , , , , , , , , , , , ,
	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,
	OR	

	9.4.	The Manufacturer shall • • • • • • • • • • • • • • • • • •
10.	Pro	duction specification and materials coverage
	10.1.	The materials specification as finally recorded I I I I I I I I I I I I I I I I I I
	10.2.	[Scrap / trimmings / • • • • / • • • •] • • • • • • • • •
	10.3.	The Manufacturer shall from time to time obtain arm's length, market prices for [scrap / trimmings / offcuts / • • • •] • • • • • • • • • • • • • •
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 ■ ■

	••••	••1,••••••••••••••••••••••••••••••••••	
12.4.		work before the commencement o	
12.5.	In calcu	llating 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 spare •••, •••, •••	•
12.6.	In calcu	lating the cost of labour:	
	12.6.1	all production cost shall be include	ded;
	12.6.2	the design team • • • • • • • • • • • • • • • • • • •	•••••
	12.6.3	a fixed sum of £ [• • • •] • • •	
Proc	luctio	n price	
13.1.		he Client has accepted the compl duct in a ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	<u> </u>
13.2.	The price	ce payable by 	
	For the	e first [1000] units	£ [number]
	For the	e next [5000] units	£ [number]

13.3.	The price shall be increased on the first • • • • • • • • • • • • • • • • • • •
13.4.	If the Client requires delivery to someplace other than [
Payı	ment terms
14.1.	All the payments under this agreement shall be made by : [
14.2.	A payment by the Client does not imply
Pacl	kaging and delivery
	kaging and delivery Each Product shall be marked • • • • • • 6 .
15.1.	Each Product shall be marked • • • • • • • • • • • • • • • • •
15.1. 15.2.	Each Product shall be marked • • • • • • • • • • • • • • • • • • •
15.1. 15.2.	Each Product shall be marked
15.1. 15.2. 15.3. <i>OR</i>	Each Product shall be marked

	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.	Trar	nsportation
	[There	e are many ways and alternative deals possible.
].	,
	16.1.	The following Incoterms
		16.1.1 EXW [named EXW , EXW EXW EXX EXX

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

17. Taxes

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 ■ ■
	••••••
Visi	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.	

	18.4.	The Client must make
19.	Ons	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.	If any discrepancy is found in
20.	Defe	ective Product returned
	These	e provisions apply in the
	20.1.	The Manufacturer will repair • • • • • • • • • • • • • • • • • • •
		20.1.1 the defect is reported to ••••• [12] •••••
		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

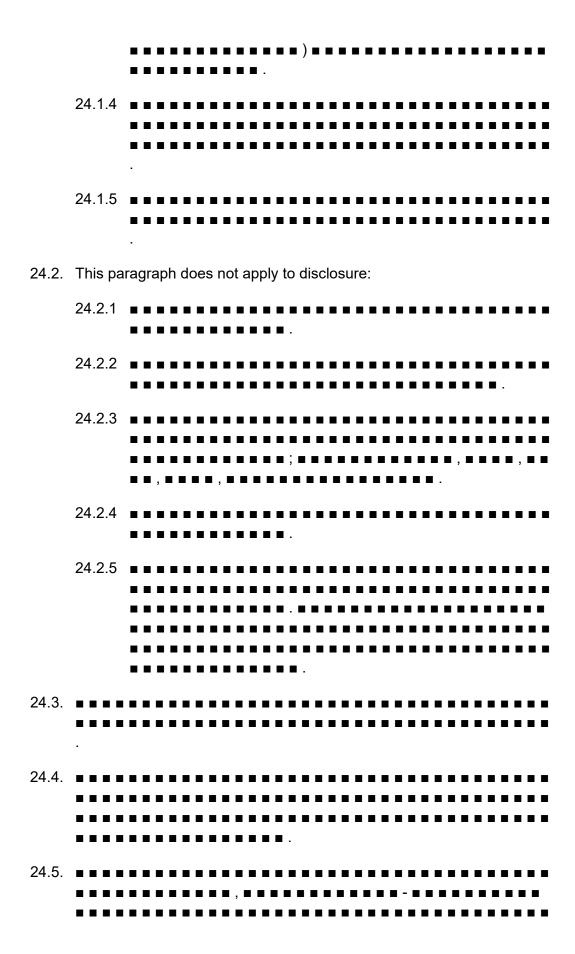
22.1.	The Services are listed in Schedule 2. Before submitting the first order to the Manufacturer 100 100 100 100 100 100 100 1
22.2.	From the date of the first delivery of the Products to the Client, [24]
22.3.	The price payable by •••••••••••••••••••••••••••••••••••
OR	
22.4.	The price payable by ••••••[•••••••••].
22.5.	If the service provision level set out in Schedule 2 is changed so that the cost to the,,,,,,,
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 ••••••••••••••••••••••••••••••••••

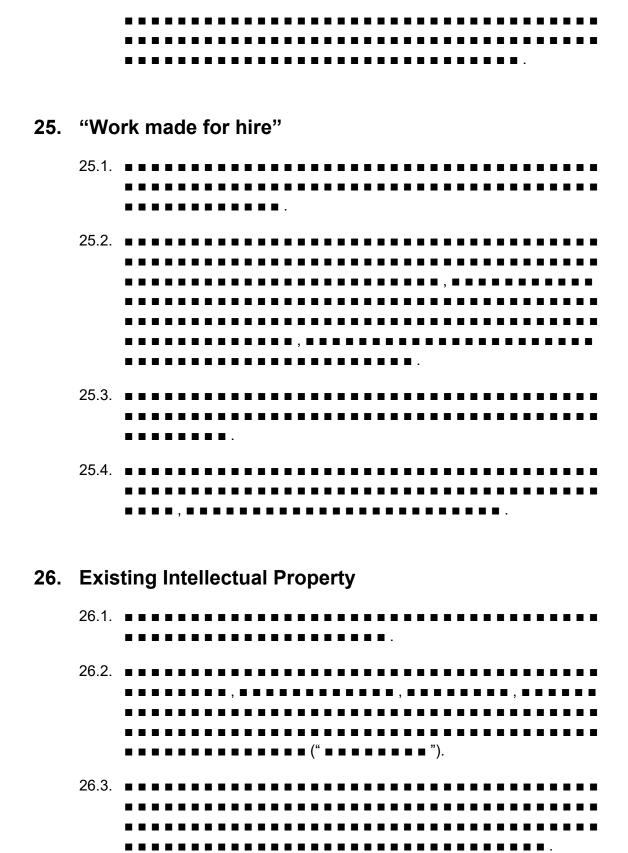
OR

23.2.	The Manufacturer must first obtain the written consent • • • • • • • • • • • • • • • • • • •
າວ ວ	;
23.3.	;
23.4.	
23.5.	

24. Confidential Information

24.1.				 	■ ■ ,		 		
			■ ■ , ■	 			 		
						-			
									-
				 	-,-		 		,
	24.1.1			 			 ■,■		
				 		, ■ ■	 		,
	24.1.2			 			 		
	24.1.2								
		= :		 			 		
		_ ,							
	24.1.3			 			 	■ ■ (■	





26.5.	• • • •													
New	IP													
••••									••					
■ ■ , ■ 27.1.		■,■■					■ ■ ,				-			
	27.1.1													
	27.1.2													
	27.1.3		• • • • • • ;	•••									::	
	•			•••		• • •	•		• • •			••	::	
27.3.			 ,		•••	• • •	. . ,	••		• • •		• •		. =

	■.
	27.4.
00	Due to etion of Intellectual Due nontre
28.	Protection of Intellectual Property
	[]
	28.1.
	28.2.
	28.3.
	28.4. •••••••••••••••••••••••••••••
	28.5.
	28.6.
	28.7,

	28.8.										•		-	• •	•	• •		-			• •
	28.9.				• • • • .	• •		••			•		= 1	-	-		-		-		• •
	28.10	, ■ ■					= :														
				■,■		••			 •	,											
		28.1	0.2 ■															I =			
29.	Thir	d pa	arty	infr	ring	jem	en	t													
	29.1.				• • •	•					-		-		•			•			
	29.2.				. . ,	• • • • ,						•			• •	• •	, ■		•		•
	29.3.				• • •								-	•	, ▮	•	•	= 1	• •		•
	29.4.						::				•								•	•	•
	29.5.												-		•			•	•		

```
...................................
 ....................................
 29.6.
 ....................................
 ....................................
29.7.
 ..............
 ............
 .................
29.8.
 ....................................
 .....................................
 ----------
29.9.
 29.10.
 ....................................
 ....,...............................
 .........
 29.11.
 ................................
 ------
 ...................................
```

30. Duration and termination

This agreement may be terminated:

	[]	• • • • • •		• • • • • •	
	 []:		[= = = /	1	
	• • • • • • • • • •				
					•••••
30.4	.1				
30.4					
	;				
30.4	.2				
	•				
			• • • • •		• • • • • • • •
			•		•••••
				,	
30.4					
	;				
Change	of Control				
31.1. ■ ■ 1					
= = 1					
31.2					
				•••••	•••••

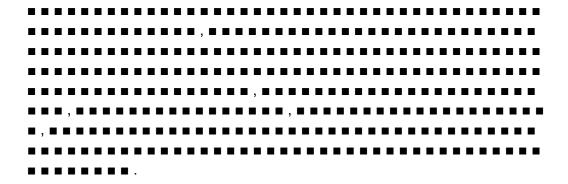
30.1. by mutual agreement on an agreed date.

	31.4.	The Manufacturer agrees that this provision is fair.
32.	Pub	licity / Announcements
	32.1.	
	OR	
		Neither party shall:
		32.2.1 make any public announcement; or
		32.2.2 disclose any information; or
		32.2.3
	OR	
	32.3.	
33.	Ass	ignment
	33.1.	,

												,									
																	_				_
																					_
				•																	
OR																					
33.2.							-														
												-				_				_	_
															•			-		- 1	•
		1:																			
	33.2.1	[==																			ı
																_					_
				1 _						_		_				_				_	
] =		•															
	00.00																				
	33.2.2													•							
					■;			/ ■													
	33.2.3																				_
			 ■ = ;																		
			,			/ = =															
	00 0 4																				
	33.2.4							I I			-						.				
								I													
												-				_					
												_				_	_				
Indo	mnit	, hv	Mai	م f	-		٥r														
mue	emnity	Dy	ivia	IIUI	acı	lui	EI														
34.1.							-														
															•						
				, ■ 1					•				I						•		ĺ
							-														
34.2.								_								_			_		
J T .∠.																					
		■ ■															•		•		1
								= 1	-		-						- 1				
															_	_			_		_
				, ■ 1																	
	0404																				
	34.2.1	••			■ ,			-									-		•		ı

	34.2.2		• • • • •	•••••	•••••	• • • • •
	34.2.3				•••••	• • • • •
34.3.		(
	■■■,	■■■,	■■■, ■	 		
		(-) .	■ ■ ■ 1999 ■ ■ 2017, ■	/ = = = =

35. Damages not adequate



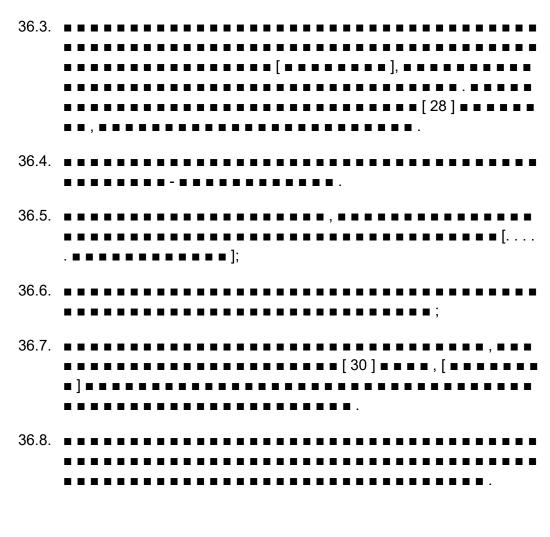
36. Uncontrollable events

36.1.	 		 	 		
	 -[1	 	 		
	-	•			•	
	,					

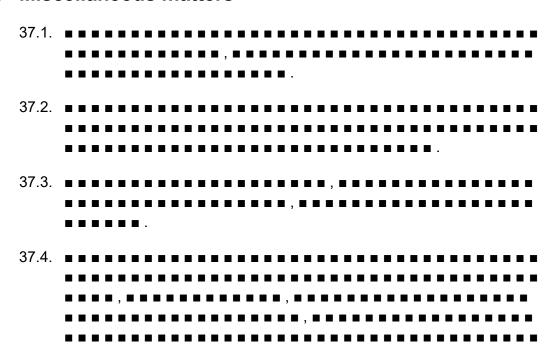
AND/OR

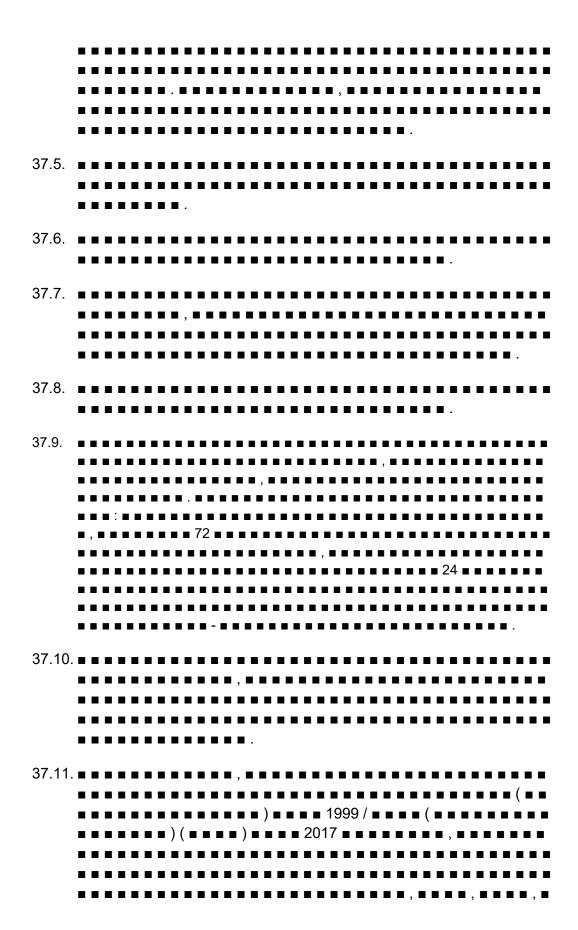
36.2.

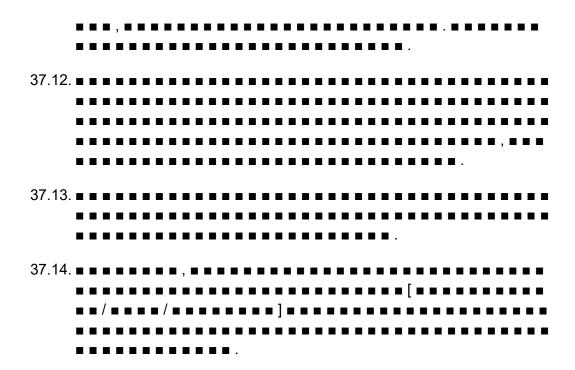
OR



37. Miscellaneous matters







Signed by [personal name] on behalf of [Champion Bikes Ltd] as its representative who personally accepts liability for the proper authorisation by [Champion Bikes Ltd] to enter into this agreement.

Signed by [personal name] on behalf of [Wheely Makers Ltd] as its representative who personally accepts liability for the proper authorisation by [Wheely Makers Ltd] to enter into this agreement.

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

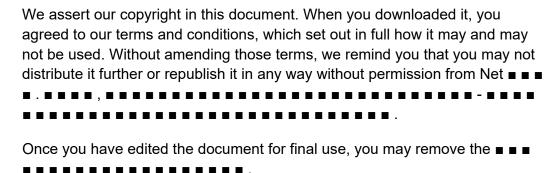
Schedule 8: Delivery locations

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.uk for further information.

Paragraph specific notes:

Notes numbering refers to paragraph numbers.

1. Definitions

.

You should first decide on the contents of the document, then return to check what definitions are needed and whether they really

Reflection in the second in the second

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

	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
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

counter-party is under no illusions about IP, and second because some \blacksquare \blacksquare

6. Scope of work

This paragraph is concerned with the basics of what each side is expected to do and not do. It is intended to be a summary,

7. Representative liaison and design reviews

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 $\blacksquare \blacksquare \blacksquare$.

9. Setup costs

10. Production specification and materials coverage

11. Payment for Product development

Product development is usually paid for based either on cost plus uplift or fee for reaching milestones. We have provided later for payment based on cost plus uplift. You can also copy and paste that here as an alternative. This text provides for very simple

12. Design price and payment

13. Production price

14. Payment terms

15.	Packaging and delivery
	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
	This and the following paragraph are relevant only to export
	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
	2020
	http://www.ukcustomssolutions.co.uk/incoterms/
	https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-2020/
	https://www.gov.uk/guidance/international-trade-paperwork-the-basics#export-documentation
	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
	Below is a basic summary ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
	·

............

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

The seven rules defined by Incoterms 2020 for $\blacksquare \blacksquare \blacksquare$

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
••••••
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 \blacksquare \blacksquare \blacksquare ,
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 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

17.

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
40	
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
19.	
	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 $\blacksquare \blacksquare \blacksquare$
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 technica product requiring
25.	"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. In the USA, I can
	,
	"
	An important point of contract law also appears in this paragraph. ■ ■ ■ ■ ■
	We suggest leave it as is.
26.	Existing Intellectual Property
	Department on the value and extent of the

27. New IP

	This is another area on which much litigation is based. At the start, both
	?
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

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
0 7.	A number of special points. We have identified each of these as important to
	These are just

Rights of Third Parties Act
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

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