**DROP SHIPPING AGREEMENT**

This Dropshipping Agreement (referred to as the “**Agreement**”) is made as of [INSERT DATE] (the “**Effective Date**”), by and between [SUPPLIER COMPANY NAME], a [JURISDICTION OF INCORPORATION/FORMATION] [corporation/LLC/other entity type] with its principal place of business at [SUPPLIER ADDRESS] (the “**Supplier**”), and [RETAILER COMPANY NAME], a [JURISDICTION OF INCORPORATION/FORMATION] [corporation/LLC/other entity type] with its principal place of business at [RETAILER ADDRESS] (the “**Retailer**”). The Supplier and the Retailer are individually referred to as a “**Party**” and collectively as the “**Parties**”.

The Supplier is engaged in the manufacture, distribution, and supply of quality products within the [SPECIFIC INDUSTRY] and possesses the necessary inventory, production capabilities, and fulfillment resources.

The Retailer operates an e-commerce platform and employs effective marketing and sales strategies to reach End Customers in the United States and beyond (as defined below).

The Parties desire to establish a dropshipping relationship whereby the Supplier will fulfill orders directly to the Retailer’s End Customers and the Retailer will promote and sell the Supplier’s products under the terms and conditions set forth in this Agreement.

The Parties intend for this dropshipping arrangement to be governed by the terms of this Agreement, which sets forth their respective rights, obligations, and responsibilities.

In consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1. **PURPOSE AND SCOPE**
	1. The purpose of this Agreement is to set forth the terms and conditions under which the Supplier will provide dropshipping services to the Retailer. Under this arrangement, the Retailer will market and sell the Supplier’s products on its e-commerce platforms, and the Supplier will directly fulfill and ship orders to the Retailer’s End Customers.
	2. The Supplier shall supply the products (the “**Products**”) as detailed in Schedule 1 attached hereto. The Retailer shall list, promote, and sell these Products on its website and other digital channels, subject to the terms herein.
2. **APPOINTMENT AND RELATIONSHIP**
	1. The Supplier hereby appoints the Retailer as its non-exclusive dropshipping partner for the sale of the Products, and the Retailer accepts such appointment subject to the terms of this Agreement.
	2. The Parties are independent contractors. Nothing in this Agreement shall be deemed to create a partnership, joint venture, agency, or employment relationship between the Parties.
3. **PRODUCTS, INVENTORY, AND CATALOG**
	1. The Supplier shall provide the Retailer with a complete and updated product catalog, including descriptions, images, pricing, stock availability, and SKU numbers. The Retailer agrees to use this information solely for marketing and selling the Products.
	2. The Supplier shall maintain sufficient inventory levels to fulfill Orders. In the event of a stock shortage, the Supplier shall promptly notify the Retailer. For the purposes of this Agreement, “**Order**” means a purchase order submitted by the Retailer to the Supplier for the Products.
	3. The Supplier shall notify the Retailer of any changes to product specifications, pricing, or availability. The Retailer shall update its listings accordingly.
4. **ORDER FULFILLMENT AND SHIPPING**
	1. The Retailer shall submit Orders to the Supplier via [specify method, e.g., API integration, email, online portal] within [NUMBER] hours of an End Customer purchase. For the purposes of this Agreement, “**End Customer**” means the individual or entity that purchases Products from the Retailer.
	2. The Supplier shall process and ship each Order within [NUMBER] Business Days from receipt. The Supplier shall confirm shipment and provide the Retailer with tracking information promptly. “**Business Day**” means a day a day that is not a Saturday, Sunday or public or bank holiday in the State of Illinois.
	3. The Supplier shall select the shipping carrier(s) and is responsible for proper packaging and timely delivery.
	4. Shipping costs shall be [borne by the Retailer / included in the Product price / passed through to the End Customer], as detailed in Schedule 2.
	5. Title and risk of loss for the Products shall pass to the End Customer upon delivery to the carrier.
	6. The Supplier shall use commercially reasonable efforts to ensure that Orders are delivered within the estimated delivery timeframe provided to the Retailer.
5. **PRICING, PAYMENT, AND TAXES**
	1. The Supplier shall provide the Retailer with a wholesale price list for the Products. The Retailer is free to set its own retail prices.
	2. Payment for each fulfilled Order shall be made in one of the following manners (select one): [Prepaid – payment is made at the time the Order is placed;] [Net Terms – the Retailer shall pay the Supplier within [NUMBER] days after the invoice date;] [Monthly Reconciliation – the Retailer shall pay for all Orders fulfilled during the month within [NUMBER] days of month-end].
	3. Each Party is responsible for its own taxes. The Retailer shall collect and remit any applicable sales taxes on its sales. The Supplier is responsible for any taxes on its wholesale transactions.
	4. All payments under this Agreement shall be made in U.S. Dollars (USD).
6. **RETURNS, REFUNDS, AND CUSTOMER SERVICE**
	1. The Supplier shall accept returns and exchanges for Products that are defective, damaged, or shipped in error, in accordance with the Supplier’s return policy attached as Schedule 3.
	2. The Supplier shall issue refunds or replacements within [NUMBER] Business Days after receiving a returned Product, provided that the Return is authorized by the Retailer and approved by the Supplier.
	3. The Retailer shall handle all initial customer service inquiries regarding Product orders. Any issues related to fulfillment or Product defects shall be referred to the Supplier.
	4. The Retailer must notify the Supplier of any End Customer complaints or return requests within [NUMBER] days of receipt by the End Customer.
7. **INTELLECTUAL PROPERTY RIGHTS**
	1. The Supplier retains all right, title, and interest in and to all Intellectual Property Rights relating to the Products, (the "**Supplier IP**"). Except as expressly provided herein, no rights or licenses to the Supplier IP are transferred to the Retailer. For the purposes of this Agreement, “**Intellectual Property Rights**” means any and all trade secrets, trademarks, copyrights, patents, industrial designs and any other intangible property in which any person holds proprietary rights, title, interests, or protections, however arising, pursuant to any jurisdiction throughout the world, including all applications, registrations, renewals, issues, reissues, extensions, divisions, and continuations in connection with any of the foregoing and the goodwill connected with the use of and symbolized by any of the foregoing.
	2. Subject to the terms and conditions of this Agreement, the Supplier grants the Retailer a non-exclusive, royalty-free, non-transferable, and revocable license to use the Supplier IP solely for the purpose of marketing, promoting, and selling the Products in connection with the Retailer’s business. This license is limited to the duration of this Agreement and may not be used for any other purpose.
	3. The Retailer shall not modify, alter, or create derivative works of the Supplier IP without the prior written consent of the Supplier. The Retailer further agrees not to register, or attempt to register, any trademarks or other intellectual property rights based on or incorporating the Supplier IP in its own name or that of any third party.
	4. The Supplier shall indemnify, defend, and hold harmless the Retailer and its affiliates, and their respective officers, directors, employees, and agents (collectively, the "**Indemnified Parties**") from and against any and all third-party claims, demands, losses, liabilities, damages, costs, and expenses (including reasonable attorneys’ fees and court costs) arising out of or relating to any claim that the Supplier IP, or the Retailer’s use thereof as permitted herein, infringes or misappropriates any Intellectual Property Rights of any third party. The Retailer shall promptly notify the Supplier in writing of any such claim and allow the Supplier to control the defense and settlement thereof. This indemnification obligation shall survive termination of this Agreement.
	5. Except as expressly granted in this Agreement, all rights not specifically licensed to the Retailer are hereby reserved by the Supplier. No implied rights or licenses are granted by this Agreement.
8. **CONFIDENTIALITY**
	1. From time to time during the duration of this Agreement, either Party (as the "**Discloser**") may disclose or make available to the other Party (as the "**Recipient**"), non-public, proprietary, and confidential information of the Discloser [whether or not marked or labeled as "confidential"/that, if disclosed in writing or other tangible form is clearly labeled as "confidential," or if disclosed orally, is identified as confidential when disclosed and within [NUMBER] days thereafter, is summarized in writing and confirmed as confidential] ("**Confidential Information**"); provided, however, that Confidential Information does not include any information that: (i) is or becomes generally available to the public other than as a result of the Recipient's breach of this Section 8; (ii) is or becomes available to the Recipient on a non-confidential basis from a third party source, provided that such third party is not and was not prohibited from disclosing such Confidential Information after due inquiry; (iii) was in the Recipient's possession prior to the Discloser's disclosure hereunder; or (iv) was or is independently developed by the Recipient without using any Confidential Information.
	2. The Recipient shall: (i) protect and safeguard the confidentiality of the Discloser's Confidential Information with at least the same degree of care as the Recipient would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (ii) not use the Discloser's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (iii) not disclose any such Confidential Information to any person or entity, except to members of the Recipient's Group who need to know the Confidential Information to assist the Recipient, or act on its behalf, to exercise its rights or perform its obligations under this Agreement. For purposes of this Section 8, "**Recipient's Group**" means the Recipient's affiliates and its or their employees, officers, directors, shareholders, partners, members, managers, agents, independent contractors, consultants, sublicensees, subcontractors, attorneys, accountants, and financial advisors.
	3. If the Recipient is required by applicable law or legal process to disclose any Confidential Information, it shall, prior to making such disclosure, use commercially reasonable efforts to notify the Discloser of such requirements to afford the Discloser the opportunity to seek, at the Discloser's sole cost and expense, a protective order or other remedy.
	4. The Recipient shall be responsible for any breach of the foregoing obligations by any member of the Recipient’s Group.
9. **REPRESENTATIONS AND WARRANTIES**
	1. Each Party represents and warrants that:
		1. it has the full legal right, power, and authority to enter into this Agreement;
		2. the execution and delivery of this Agreement have been duly authorized by all necessary corporate actions;
		3. this Agreement constitutes a valid and binding obligation, enforceable in accordance with its terms; and
		4. it has not relied on any representation or warranty not expressly set forth in this Agreement.
10. **LIMITATION OF LIABILITY**
	1. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS OR BUSINESS INTERRUPTION, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, REGARDLESS OF THE CAUSE OR THE THEORY OF LIABILITY.
	2. EXCEPT FOR THE INDEMNITY OBLIGATIONS OUTLINED IN THIS AGREEMENT, EACH PARTY’S TOTAL AGGREGATE LIABILITY SHALL NOT EXCEED THE TOTAL AMOUNTS PAID TO THE SUPPLIER BY THE RETAILER IN THE SIX (6) MONTHS PRECEDING THE CLAIM.
11. **TERM**

This Agreement shall commence on the Effective Date and shall continue in effect for an initial term of [NUMBER] years, unless terminated earlier in accordance with Section 12.

1. **TERMINATION**
	1. Either Party may immediately terminate this Agreement upon written notice if this other Party:
		1. materially breaches this Agreement, and such breach is incapable of cure, or, if the breach is capable of cure, fails to cure such breach within [NUMBER] days after receiving written notice of the breach;
		2. becomes insolvent or is generally unable to pay its debts as they become due;
		3. files, or has filed against it, a petition for voluntary or involuntary bankruptcy, or otherwise becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law;
		4. makes or seeks to make a general assignment for the benefit of its creditors;
		5. applies for, or has appointed, a receiver, trustee, custodian, or similar agent by order of a court of competent jurisdiction to take charge of or sell any material portion of its property or business; or
		6. is dissolved or liquidated.
	2. Either Party may terminate this Agreement for convenience upon [NUMBER] days’ written notice to the other Party.
	3. The expiration or termination of this Agreement shall not affect any rights or obligations that: (i) are intended to survive such expiration or termination; and (ii) were incurred by the Parties prior to such expiration or termination.
	4. Upon the expiration or termination of this Agreement for any reason, each Party shall promptly:
		1. [return to the other Party/destroy] all documents and tangible materials (including any copies) containing, reflecting, incorporating, or based on the other Party’s Confidential Information;
		2. permanently erase all of the other Party’s Confidential Information from its computer systems, [except for copies that are: (i) required to be retained under applicable laws; or (ii) maintained as archive copies on its disaster recovery or information technology backup systems, which shall be destroyed upon the normal expiration of such backup files, or as otherwise required by law]; and
		3. certify in writing to the other Party that it has complied with these requirements.
2. **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to any conflict of laws principles. Any legal action, suit, or proceeding arising out of or relating to this Agreement shall be brought exclusively in the state or federal courts located in the State of Illinois, and each Party irrevocably consents to the exclusive jurisdiction of such courts. The Parties waive any objections related to improper venue or the doctrine of forum non conveniens.

1. **AMENDMENTS**

Any modifications or amendments to this Agreement must be in writing and signed by both Parties.

1. **ENTIRE AGREEMENT**

This Agreement constitutes the entire understanding between the Parties regarding the subject matter herein and supersedes all prior agreements, negotiations, and communications, whether written or oral.

1. **SEVERABILITY**

If any provision of this Agreement is deemed invalid, illegal, or unenforceable, such provision shall be modified or severed to the minimum extent necessary, and the remaining provisions shall continue in full force and effect.

1. **ASSIGNMENT**

Neither Party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other Party, except that either Party may assign this Agreement to an affiliate or in connection with a merger, acquisition, or sale of substantially all its assets.

1. **NO WAIVER**

No waiver of any breach of this Agreement shall be deemed a waiver of any subsequent breach. A waiver must be in writing and signed by the waiving Party.

1. **COUNTERPARTS**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures delivered electronically or by facsimile shall be deemed valid and binding.

[SIGNATURE PAGE FOLLOWS]

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

[SUPPLIER COMPANY NAME]
By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[RETAILER COMPANY NAME]
By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SCHEDULE 1**

**PRODUCTS**

[INSERT PRODUCT LIST]

**SCHEDULE 2**

**SHIPPING COSTS**

[INSERT SHIPPING COSTS]

**SCHEDULE 3**

**SUPPLIER RETURN POLICY**

[INCLUDE SUPPLIER RETURN POLICY]