**PRODUCT MANUFACTURING AGREEMENT**

This Product Manufacturing Agreement (referred to as the “**Agreement**”) is entered into as of [INSERT DATE] (the “**Effective Date**”), by and between [MANUFACTURER COMPANY NAME], a [STATE/COUNTRY] [corporation/LLC/other entity type] with its principal place of business at [ADDRESS] (the “**Manufacturer**”), and [CUSTOMER COMPANY NAME], a [STATE/COUNTRY] [corporation/LLC/other entity type] with its principal place of business at [ADDRESS] (the “**Customer**”). The Manufacturer and the Customer may be referred to individually as a “**Party**” and collectively as the “**Parties**”.

The Manufacturer is engaged in the business of manufacturing and has the technical expertise, facilities, and personnel necessary to produce products in accordance with specified quality standards.

The Customer desires to purchase and resell or use the Products and requires a reliable manufacturing partner to produce the Products according to its specifications and requirements.

The Parties wish to establish a mutually beneficial relationship whereby the Manufacturer agrees to produce and deliver the Products to the Customer on the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows.

1. **SCOPE**
	1. The purpose of this Agreement is to define the terms and conditions under which the Manufacturer shall manufacture, assemble, test and package the Products in accordance with the Specifications and in compliance with all applicable laws and industry standards. For the purposes of this Agreement: (i) “**Products**” means the products listed and defined in Schedule 1; and (ii) “**Specifications**” means the specifications for the manufacturing, assembly, testing and packaging of the Products, as detailed in Schedule 2.
	2. The arrangement made under this Agreement between the Parties is non-exclusive. Accordingly, the Customer shall be entitled to engage other Parties than the Manufacturer for similar and/or the same services hereunder, and the Manufacturer shall be able to provide the services provided hereunder to other customers.
	3. Any modifications to the Specifications or production process must be agreed upon in writing by both Parties and documented in an amendment or revised Schedule.
2. **PREREQUISITES**
	1. The Parties shall cooperate in good faith and exchange any documents or information that may be useful for the proper performance of the Agreement.
	2. In particular, each Party shall, upon request, promptly provide the other Party with all information, assistance, materials, and resources that the other Party may reasonably require from time to time in connection with the performance of its obligations under this Agreement.
3. **MANUFACTURER OBLIGATIONS**
	1. The Manufacturer shall:
		1. manufacture, assemble, test, and package the Products strictly in accordance with the Specifications detailed in Schedules 1 and 2;
		2. implement and maintain robust quality control procedures to ensure the Products consistently meet agreed-upon quality and performance standards;
		3. allow the Customer to conduct periodic inspections and audits at its facilities, provided reasonable notice is given;
		4. adhere to the production schedule as outlined in the Purchase Orders and Schedules, ensuring that the Products are manufactured and delivered by the agreed-upon delivery dates;
		5. notify the Customer promptly of any potential delays or issues that may affect production or delivery and work collaboratively to implement corrective actions;
		6. ensure that the manufacturing process complies with all applicable laws, regulations, and industry standards;
		7. secure and maintain any necessary certifications, permits, or licenses required for the production of the Products;
		8. provide detailed production and quality control reports as required under Schedule 4, including information on production volumes, defect rates, and any corrective measures taken;
		9. maintain accurate records of production and testing procedures for the duration of the Agreement and for a reasonable period thereafter, to facilitate audits or quality reviews;
		10. designate a primary point of contact responsible for coordinating with the Customer on all manufacturing-related matters; and
		11. respond promptly to any inquiries or requests from the Customer regarding production status, quality issues, or related matters.
4. **CUSTOMER OBLIGATIONS**
	1. The Customer shall:
		1. provide the Manufacturer with complete, accurate, and timely specifications, designs, and any other information necessary for the production of the Products as detailed in Schedules 1 and 2;
		2. notify the Manufacturer in writing of any modifications or updates to the Product specifications as soon as practicable;
		3. submit clear and comprehensive Purchase Orders, specifying quantities, delivery dates, and any additional instructions in accordance with the ordering procedures set forth in Section 5;
		4. review and approve production samples or pre-production prototypes within the agreed timeframe to avoid delays in the manufacturing schedule;
		5. remit payments in accordance with the payment terms outlined in Section 5, ensuring that all deposits, interim payments, and final payments are made on or before the due dates;
		6. reimburse any pre-approved out-of-pocket expenses incurred by the Manufacturer in connection with the production or delivery of the Products, upon receipt of valid documentation;
		7. inspect the Products upon delivery and promptly notify the Manufacturer in writing of any non-conformance with the Specifications within the stipulated period;
		8. cooperate with the Manufacturer to resolve any quality issues or discrepancies identified during inspection;
		9. designate a primary point of contact to facilitate clear and effective communication with the Manufacturer regarding production schedules, quality issues, and other related matters; and
		10. provide timely feedback and decisions to ensure that the manufacturing process proceeds according to schedule.
5. **ORDERING, DELIVERY, AND ACCEPTANCE**
	1. The Customer shall submit written Purchase Orders that specify the Product types, quantities, delivery dates, and any special instructions. Purchase Orders may be submitted via email or the Supplier’s designated online system. For the purposes of this Agreement, “**Purchase Order**” means a written order issued by the Customer to the Manufacturer specifying quantities, delivery dates, and other terms for a particular order of Products.
	2. The Manufacturer shall confirm receipt and acceptance of each Purchase Order within [NUMBER] business days. Any changes or modifications requested by the Customer must be agreed upon in writing by both Parties prior to production.
	3. The Manufacturer shall deliver the Products in accordance with the delivery dates specified in the confirmed Purchase Orders. Deliveries shall be made [FOB Shipping Point/FOB Destination] as detailed in Schedule 3.
	4. Risk of loss and title to the Products shall pass to the Customer upon delivery as defined in Schedule 3. The Manufacturer will notify the Customer promptly if any delays or issues arise that could affect delivery.
	5. The Customer shall inspect the delivered Products promptly upon receipt. Any nonconformities or defects must be reported in writing within [NUMBER] days of delivery.
	6. If the delivered Products do not conform to the Specifications, the Customer shall provide a detailed written notice. The Manufacturer shall, at its discretion, repair, replace, or rework the nonconforming Products. Failure to notify within the specified period shall be deemed acceptance of the Products.
	7. Upon resolution of any reported issues, or in the absence of notice of nonconformance, the Products shall be deemed accepted by the Customer, and the Customer’s obligation to pay for such Products shall be deemed fulfilled.
6. **INTELLECTUAL PROPERTY RIGHTS**
	1. All intellectual property rights in any designs, technical specifications, trademarks, and related materials provided by the Customer remain the exclusive property of the Customer.
	2. All intellectual property rights in manufacturing processes, know-how, and any improvements developed solely by the Manufacturer in the course of performing its obligations under this Agreement shall remain the exclusive property of the Manufacturer.
	3. Any intellectual property developed jointly by the Parties specifically for the purposes of this Agreement shall be jointly owned, unless otherwise agreed in writing.
	4. The Customer hereby grants the Manufacturer a limited, non-exclusive, non-transferable, royalty-free license to use the Customer’s intellectual property solely for the purpose of manufacturing the Products in accordance with the Specifications.
	5. The Manufacturer grants the Customer a limited license to use any Manufacturer intellectual property that is incorporated into the Products, solely for purposes of marketing, sale, and distribution of the Products under this Agreement.
	6. Each Party shall use the other’s intellectual property only as necessary to fulfill its obligations under this Agreement and in a manner consistent with the purpose of the Agreement.
	7. Neither Party shall modify, adapt, reverse-engineer, or create derivative works based on the other Party’s intellectual property without the prior written consent of the other Party. Unauthorized use of any intellectual property is strictly prohibited.
	8. The rights and obligations set forth in this Section shall survive the termination or expiration of this Agreement.
7. **WARRANTY AND REMEDIES**
	1. The Manufacturer warrants that:
		1. the Products will conform to the Specifications and be free from defects in materials and workmanship for a period of [NUMBER] months from the date of delivery; and
		2. the Products shall be manufactured in accordance with industry standards and all applicable laws.
	2. If the Products fail to meet the warranty, the Manufacturer shall, at its option:
		1. repair or replace the defective Products; or
		2. refund the purchase price for the non-conforming Products. This warranty is the sole and exclusive remedy of the Customer, and the Manufacturer disclaims all other warranties, express or implied.
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 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, service providers, 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. **LIMITATION OF LIABILITY**
	1. NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT.
	2. SUBJECT TO SECTION 9.1, IN NO EVENT SHALL EITHER PARTY’S TOTAL AGGREGATE LIABILITY EXCEED THE TOTAL FEES PAID BY THE CUSTOMER TO THE MANUFACTURER UNDER THIS AGREEMENT.
10. **TERM**

This Agreement shall commence on the Effective Date and continue for an initial term of [NUMBER] years, unless terminated earlier in accordance with Section 11.

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.
	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 laws of the State of Illinois, without regard to its conflict of laws principles. Any legal action arising out of this Agreement shall be brought exclusively in the state or federal courts located in the State of Illinois, and each Party consents to the jurisdiction of such courts.

1. **NOTICES**

All notices under this Agreement shall be in writing and delivered by personal delivery, courier service with tracking, certified or registered mail (postage prepaid), or email (with confirmation of receipt).

1. **ENTIRE AGREEMENT**

This Agreement, including all schedules and attachments, constitutes the entire agreement between the Parties regarding the subject matter herein and supersedes all prior negotiations, communications, and agreements.

1. **AMENDMENTS**

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

1. **SEVERABILITY**

If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

1. **ASSIGNMENT**

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

[SIGNATURE PAGE FOLLOWS]

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

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

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

**SCHEDULE 1**

**PRODUCTS**

[INSERT PRODUCTS TO BE MANUFACTURED]

**SCHEDULE 2**

**SPECIFICATIONS**

[INSERT PRODUCT SPECIFICATIONS FOR MANUFACTURER]

**SCHEDULE 3**

**DELIVERY**

[INSERT DELIVERY DETAILS OF PRODUCTS]

**SCHEDULE 4**

**PRODUCTION AND QUALITY CONTROL REPORTS**

[INSERT DETAILS OF PRODUCTION AND QUALITY CONTROL REPORTS]