**OUTSOURCING AGREEMENT**

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

The Client seeks to outsource certain business functions and/or services to improve efficiency, reduce costs, and focus on its core competencies.

The Outsourcer is experienced in providing [DESCRIBE SERVICES, e.g., IT support, customer service, accounting, HR, etc.] and has the necessary expertise, resources, and personnel to perform these services on a professional and timely basis.

The Parties wish to establish a mutually beneficial relationship whereby the Outsourcer will provide outsourcing services to the Client under the terms set forth herein.

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

1. **SCOPE OF SERVICES**
   1. The purpose of this Agreement is to define the terms and conditions under which the Outsourcer will provide the Outsourced Services for the Client. For the purposes of this Agreement, “**Outsourced Services**” has the meaning and description provided in Schedule 1.
   2. The arrangement made under this Agreement between the Parties is non-exclusive. Accordingly, the Client shall be entitled to engage other parties besides the Outsourcer for similar and/or the same services hereunder, and the Outsourcer shall be able to provide the services provided hereunder to other customers.
   3. The Outsourcer shall provide the Outsourced Services as described in Schedule 1. These services may include, but are not limited to, [insert examples: IT support, data processing, customer service, accounting, HR, etc.]
   4. Any changes to the scope of Outsourced Services shall be agreed upon in writing by both Parties and may result in adjustments to fees, timelines, or other terms as necessary.
   5. The Outsourcer agrees to meet or exceed the service levels (the “**Service Levels**”) specified in Schedule 2. In the event of non-performance, remedies or service credits shall be provided as outlined in Schedule 2.
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. **OUTSOURCER OBLIGATIONS**
   1. The Outsourcer shall:
      1. perform the outsourced functions as detailed in Schedule 1 in accordance with the agreed Service Levels in Schedule 2;
      2. ensure that all deliverables and work outputs meet the quality standards and specifications set forth in this Agreement;
      3. allocate sufficient resources and qualified personnel to execute the Outsourced Services effectively;
      4. provide necessary training or support to staff, ensuring they are familiar with the Customer’s requirements and standards;
      5. designate a primary point of contact to facilitate regular communication with the Customer;
      6. provide timely updates, status reports, and any requested documentation or performance metrics as outlined in Schedule 3;
      7. comply with all applicable laws, regulations, and industry standards in the execution of the Outsourced Services;
      8. implement quality control measures to monitor and ensure the accuracy and reliability of all work performed; and
      9. promptly address and resolve any issues, delays, or discrepancies that may arise during the performance of the Outsourced Services, notifying the Customer immediately of any potential impact on timelines or deliverables.
4. **CLIENT OBLIGATIONS**
   1. The Client shall:
      1. supply the Outsourcer with complete, accurate, and timely information, specifications, and any other documentation necessary to perform the Outsourced Services as described in Schedule 1;
      2. notify the Outsourcer promptly of any changes or updates to the scope, requirements, or specifications;
      3. issue clear and detailed service requests or work orders as required for the effective execution of the Outsourced Services;
      4. review and approve deliverables or work outputs within the agreed-upon timeframes to avoid delays in the overall service delivery;
      5. make timely payments in accordance with the terms outlined in Section 6, including any applicable deposits and subsequent payments;
      6. reimburse pre-approved, documented out-of-pocket expenses incurred by the Outsourcer in connection with the Outsourced Services;
      7. designate a primary point of contact to facilitate effective communication and collaboration with the Outsourcer;
      8. provide the Outsourcer with necessary access to systems, facilities, or additional resources as needed for the performance of the Outsourced Services;
      9. provide constructive feedback and timely responses to queries or requests for clarification from the Outsourcer; and
      10. promptly notify the Outsourcer in writing of any issues or non-conformities observed in the deliverables, to enable prompt resolution.
5. **ORDERING, DELIVERY, AND ACCEPTANCE**
   1. The Client shall submit detailed service requests or work orders in writing—either via email or through the designated online portal—that clearly specify the required Outsourced Services, deliverables, timelines, and any special instructions. Each request should reference any relevant schedules or specifications.
   2. Upon receipt of a service request, the Outsourcer will review the details and confirm acceptance or notify the Client of any necessary clarifications or modifications within [NUMBER] business days. Both Parties must agree in writing to any adjustments prior to proceeding.
   3. The Outsourcer shall deliver the requested deliverables in accordance with the timelines specified in the service request or as otherwise agreed upon in writing. Delivery methods and formats are defined in Schedule 1.
   4. The Outsourcer shall notify the Client upon completion of each deliverable, including any supporting documentation or reports, and shall provide the deliverables through agreed-upon channels (e.g., email, secure file transfer, or the online portal).
   5. The Client shall promptly inspect the delivered work for conformance with the agreed specifications and service levels. Any discrepancies, defects, or deviations must be documented and communicated in writing to the Outsourcer within [NUMBER] business days of delivery.
   6. If the Client identifies any issues, the Outsourcer will have [NUMBER] business days to remedy the deficiencies or provide a revised deliverable. The revised deliverable shall then be subject to a subsequent inspection by the Client.
   7. In the absence of written notification of non-conformance within the specified timeframe, the deliverable shall be deemed accepted by the Client.
   8. Once all deliverables meet the agreed-upon criteria and any issues have been resolved to the Client’s satisfaction, the Client will provide a formal acceptance notice. This confirmation signals that the deliverables are in full compliance with the service request and that the Client’s obligations regarding that order are complete.
6. **FEES, PAYMENTS, AND EXPENSES**
   1. The Client shall pay the Outsourcer a base fee of $[INSERT AMOUNT] per [month/quarter/year] for the Outsourced Services described in Schedule 1 (the “**Base Fee**”). This fee covers the standard scope of Outsourced Services provided under this Agreement.
   2. In addition to the Base Fee, the Parties may agree to milestone payments based on the completion of specific deliverables or performance targets.
   3. The Parties may agree to performance-based incentives, payable upon achieving pre-defined service levels or outcomes. The criteria and incentive amounts are set forth in Schedule 3.
   4. A non-refundable deposit of $[INSERT AMOUNT] is due upon execution of this Agreement. This deposit secures the Outsourcer’s commitment to begin work on the Outsourced Services.
   5. Invoices for the Base Fee and any milestone or incentive payments will be issued on a [monthly/quarterly] basis. Payments shall be made within [NUMBER] days from the invoice date.
   6. All payments shall be made in U.S. Dollars (USD) via bank transfer, check, or any other mutually agreed payment method.
   7. The Client shall reimburse the Outsourcer for reasonable and pre-approved out-of-pocket expenses incurred in connection with the performance of the Outsourced Services. These may include travel, lodging, materials, and third-party service fees.
   8. All reimbursable expenses must be supported by proper documentation (e.g., receipts, invoices) and submitted with the corresponding invoice.
   9. Any amounts not paid by the due date shall accrue interest at a rate of [PERCENTAGE]% per month (or the maximum rate permitted by applicable law) until the outstanding balance is paid in full.
   10. If the Client disputes any invoiced amount, the Client must notify the Outsourcer in writing within [NUMBER] days of the invoice date. The Parties will work in good faith to resolve any discrepancies prior to processing the payment.
7. **INTELLECTUAL PROPERTY RIGHTS**
   1. All intellectual property rights in materials, specifications, designs, trademarks, and proprietary information provided by the Client shall remain the exclusive property of the Client.
   2. All intellectual property rights in processes, methodologies, software, or proprietary tools developed solely by the Outsourcer in connection with the Outsourced Services under this Agreement shall remain the exclusive property of the Outsourcer.
   3. Any intellectual property developed jointly by the Parties specifically for the purposes of this Agreement shall be jointly owned by the Parties, unless otherwise agreed in writing.
   4. The Client grants the Outsourcer a limited, non-exclusive, non-transferable, royalty-free license to use the Client’s intellectual property solely for the purpose of performing the Outsourced Services under this Agreement. This license is strictly for internal use and to support the execution of the agreed deliverables.
   5. The Outsourcer grants the Client a limited license to use any Outsourcer Intellectual Property that is incorporated into the deliverables, solely for the Client’s internal business purposes under this Agreement.
   6. Each Party shall use the other Party’s intellectual property only as necessary to fulfill its obligations under this Agreement and solely for purposes directly related to the Outsourced Services provided.
   7. Neither Party shall modify, adapt, decompile, reverse-engineer, or create derivative works based on the other Party’s intellectual property without obtaining prior written consent. Use of the other Party’s intellectual property for any purpose beyond the scope of this Agreement is strictly prohibited.
   8. Any third-party intellectual property incorporated in materials provided under this Agreement is subject to its own licensing terms. Each Party represents that it has secured all necessary rights and permissions to use any such third-party materials, and neither Party shall be liable for any claims arising from the unauthorized use of these materials.
   9. The provisions of this Section shall survive the termination or expiration of this Agreement, ensuring that all rights and restrictions relating to intellectual property continue to be enforced.
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 CLIENT TO THE OUTSOURCER 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 South Dakota, 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 South Dakota, 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 Agreement as of the Effective Date.

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

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

**SCHEDULE 1**

**OUTSOURCED SERVICES**

[INSERT OUTSOURCED SERVICES TO BE PROVIDED BY OUTSOURCER]

**SCHEDULE 2**

**SERVICE LEVELS**

[INSERT SERVICE LEVELS]

**SCHEDULE 3**

**PERFORMANCE METRICS AND INCENTIVES**

[INSERT PERFORMANCE METRICS AND INCENTIVE PAYMENTS FOR THE SAME]